

Cocaine, organized crime groups, and violence

In a number of Central American countries, crime is the paramount public policy issue, deciding elections and changing the relationship between the people and their government.³ The crime problem in this region has been well researched, including recent work by UNDP⁴ and the World Bank,⁵ as well as previous UNODC assessments on Central America (2007)⁶ and the Caribbean (2007, with the World Bank).⁷ There is no need to duplicate this work, so the present study will focus on what is widely recognized to be the central threat confronting the region today:

- the flow of cocaine,
- the criminal groups this flow empowers, and
- the violence associated with both.

Other trafficking flows are discussed – including the trade in illicit firearms, the smuggling of migrants, and trafficking in human beings. All of these flows are relevant, since most of the organized crime activity in this region is interrelated. But in parts of the region, the single most important public policy issue is criminal violence, and drug trafficking groups are blamed for much of the bloodshed. The present report critically explores this association.

3 For example, the Commissioner of Human Rights in Honduras has declared drug trafficking and organized crime to be public enemy number one in his country, alongside corruption.
<http://www.conadeh.hn/index.php/7-conadeh/69-derecho-a-la-salud>

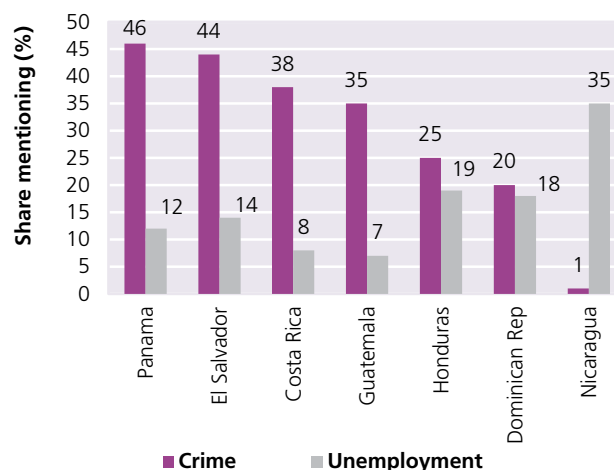
4 UNDP, *Report on Human Development in Central America, 2009-2010*; UNDP, *Caribbean Human Development Report 2012: Human Development and the Shift to Better Citizen Security*. 2012.

5 World Bank. *Crime and Violence in Central America: A Development Challenge*. 2011.

6 UNODC. *Crime and Development in Central America: Caught in the Crossfire*. 2008.

7 UNODC and the World Bank, *Crime, Violence and Development: Trends, Costs and Policy Options in the Caribbean*. 2007.

Figure 4: What is the most important issue facing your country in 2010?



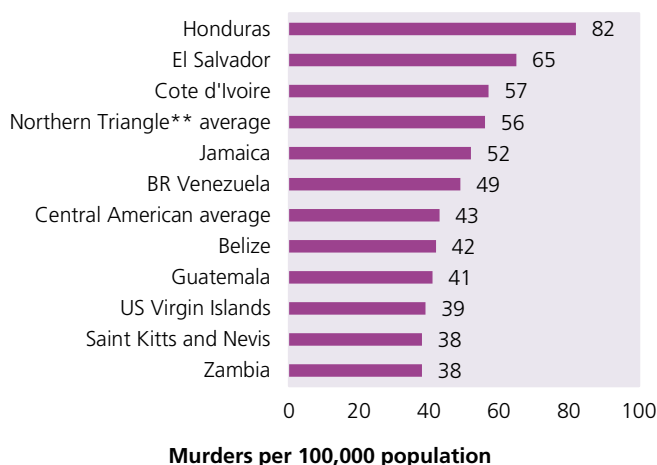
Source: Latinobarometro 2010

Central America has long suffered from high levels of violence, and has never really recovered from the civil wars that ended in the 1990s. The most recent wave of violence started around 2000, particularly affecting the northern part of Central America: Belize, El Salvador, Guatemala, and Honduras. Collectively, these four countries are experiencing the highest murder rates in the world today. Honduras is the single most affected country, with murder rates more than doubling in the last five years, off a very high base. Honduras' national murder rate in 2011 (92 per 100,000) is one of the highest recorded in modern times.⁸

With the exception of Nicaragua, the balance of Central America is also reporting a dramatic increase in murder rates. Panama's rate was stable until 2006, after which it

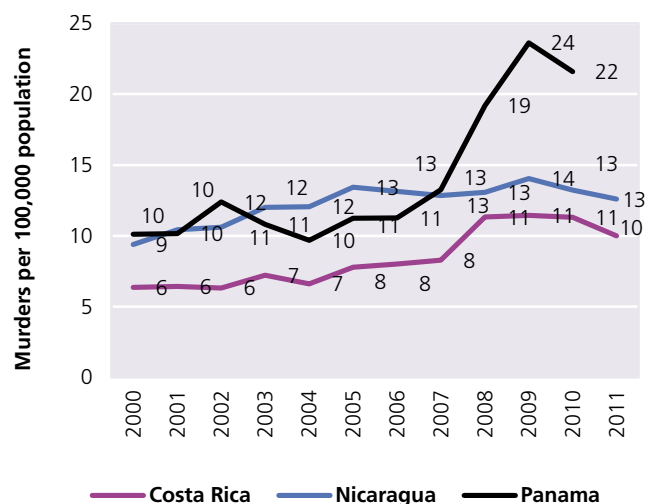
8 UNODC Homicide Database

Figure 5: Top 10 national murder rates in the world* (2010 or most recent prior year available)



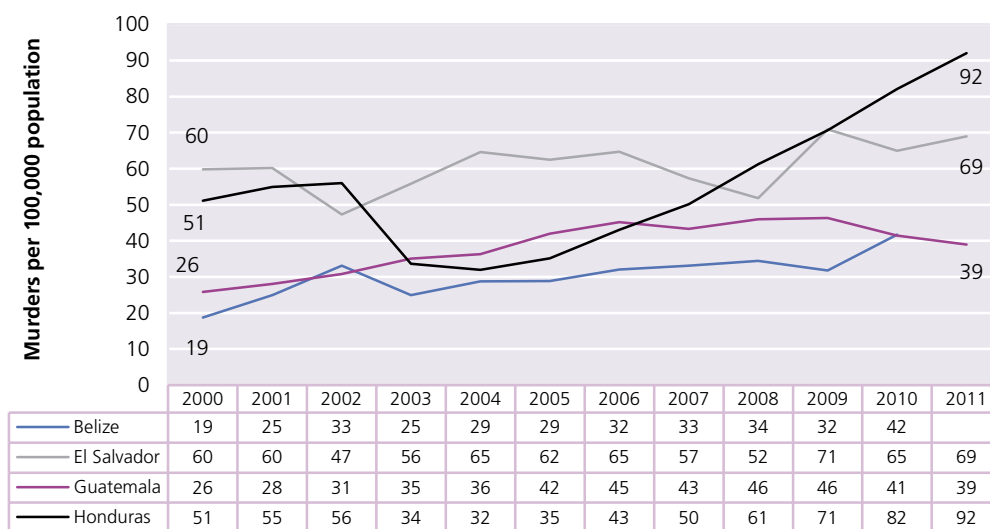
*Out of 206 countries and territories where comparable data are available
 ** "The Northern Triangle" includes Guatemala, Honduras, and El Salvador
 Source: UNODC Homicide Database

Figure 6: Murder rates in southern Central America, 2000-2011



Source: UNODC Homicide Database

Figure 7: Murder rates in northern Central America, 2000-2011



Source: UNODC Homicide Database

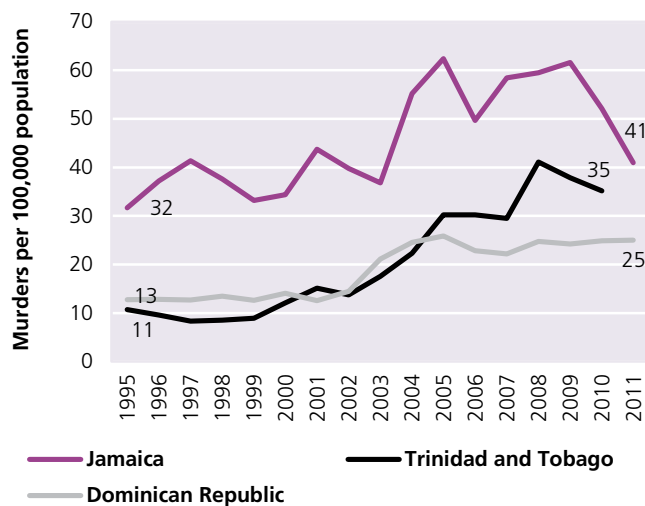
doubled in two years. Costa Rica's rate is still relatively low, but it has also doubled in the last decade.

The situation in the Caribbean is much more difficult to characterize, but several countries show similar trends. Crime statistics in small island states can be deceptive for many reasons, notably the fact that the population often swells significantly due to tourist influx, and these additional people are not counted when assessing a crime rate, despite the fact that they could become victims or perpetrators. Small populations also mean a small number of events can produce a high rate: for example, Saint Vincent & The Grenadines ranked highly in the international murder standings in 2010 due to just 25 homicides. But almost all Caribbean countries have much higher rates than would be desired in a tourism-dependent region.⁹

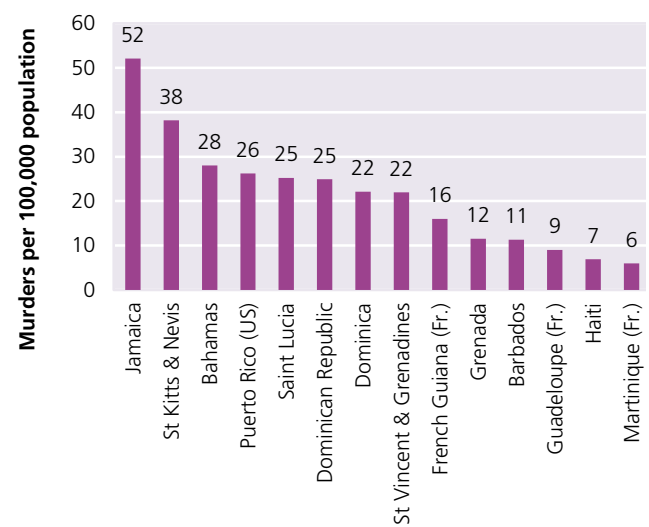
9 Because a small number of events can produce dramatic shifts in rates when

Central American and the Caribbean lie along what has long been the highest value drug flow in the world: the flow of cocaine from South America to the United States. This flow has affected the region for over 40 years, but recent changes in the global market have changed the role some countries play. Countries that had previously been used as refueling stops have become storage and logistics centers for transnational trafficking groups.

the population concerned is small, murder rates in the Caribbean are also highly volatile. Countries ranking highly today may disappear from the standings altogether tomorrow. Caution should be taken in interpreting trends as a result. In addition, many of these countries have less than 100,000 citizens, meaning a single murder can push the rate up a point or more. Rates that would reflect deep social problem in larger countries could be the work of a single serial offender in the Caribbean. This fact has implications for policy, because incarcerating a limited number of offenders can produce dramatic results. Criminal justice capacity is also limited in small states, but judicious use of extradition can greatly supplement this capacity.

Figure 8: Murder rates in selected Caribbean countries, 1995-2011

Source: UNODC Homicide Database

Figure 9: Murder rates in selected Caribbean countries, 2010

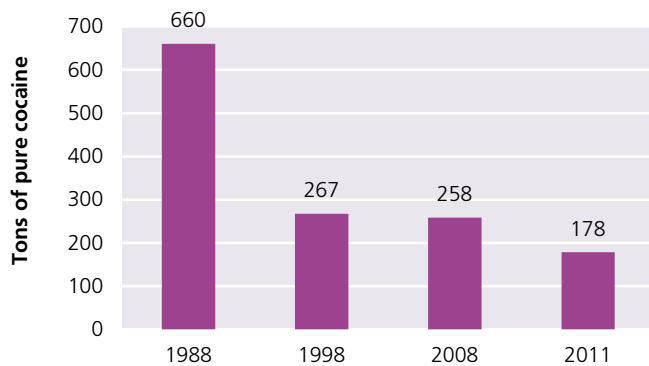
Source: UNODC Homicide Database

Drug trafficking and violence

Drug trafficking is not always associated with violence. Large-scale cultivation of coca or opium poppy requires territorial control, so drug production is often connected to insurgency.¹⁰ Further down the chain, though, there is no inherent need for drug distributors to quarrel among themselves or fight with the authorities. In both well-established and emerging transit areas, the quickest way to profit is to avoid conflict and so market interests tend to favour peace.

For example, tons of heroin have been trafficked through Southeast Europe for decades, with little appreciable effect on murder rates. Where crime is well organized, drugs can flow through a transit region without incident, centrally-controlled and facilitated by high-level corruption.¹¹ Similarly, the surge in drug trafficking through West Africa after 2005 did not result in a wave of street violence. In addition to high-level corruption, the West African market was also novel, and most traffickers were too busy capitalizing on emerging opportunities to bother with rivals.¹²

In contrast, the flow of cocaine through Central America is neither new nor settled. It is old and very much contested. Its dynamism is not due to expanding opportunities, but to diminishing ones, as the North American demand for cocaine has been declining for decades. This long-term trend may be partly attributable to fashion: cocaine, and particularly crack cocaine, is not the emblematic drug of the present generation.

Figure 10: Tons of (pure) cocaine consumed the United States, 1988-2011

Source: For 1988, ONDCP; for other years, UNODC estimates

While cocaine consumption has been steadily declining since the mid-1980s, the decline has been remarkably acute since 2006, a shift that cannot be explained away by trends in fashion. Based on over four million urine tests administered to United States workers, cocaine positives dropped from about seven-tenths of a percent in 2006 to two-tenths of a percent in 2010.¹³

Survey data also show a remarkable decline. Survey-based estimates of the number of current (previous month) users dropped by 39% in five years, from 2.4 million in 2005 to less than 1.5 million in 2010. Estimates of the number of new initiates during the same period dropped by 27%, from 872,000 in 2005 to 637,000 in 2010. The rate of past month use among probationers and parolees was cut in half, from 6.9% in 2005 to 3.1% in 2009.¹⁴

10 The largest producers of illicit opium poppy are Afghanistan and Myanmar, both countries with active insurgencies. The largest producers of coca are Peru and Colombia, which are also home to illegal armed groups.

11 UNODC. *Crime and its impact on the Balkans* (2008).

12 UNODC. *Transnational trafficking and the rule of law in West Africa: A threat assessment* (July 2009).

13 Quest Diagnostics, Drug Testing Index <http://www.questdiagnostics.com/home/physicians/health-trends/drug-testing>

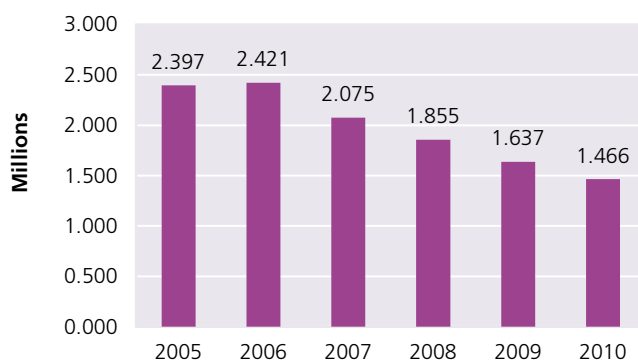
14 Office of National Drug Control Policy, *2011 National Drug Control Policy: Data Supplement*. Washington, D.C.: Executive Office of the President, 2011.

Figure 11: Share of United States general workforce urine tests positive for cocaine, 2004-2010



Source: Quest Diagnostics

Figure 12: Number of current (previous month) users of cocaine in the United States (millions), 2005-2010



Source: ONDCP

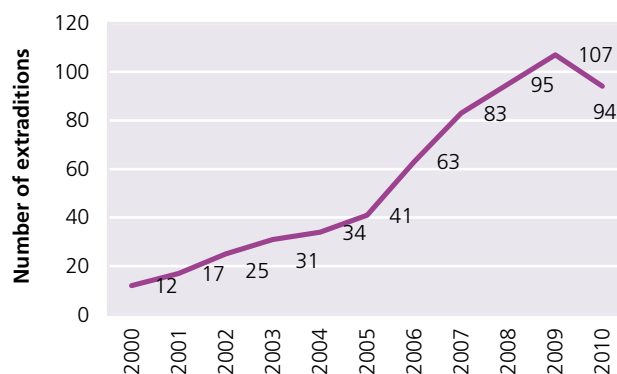
The clearest explanation for this sudden decline in demand is a concurrent decline in supply. There were declines in Colombian cocaine production during this period of time, and Colombia remains the primary source of United States cocaine. But more dramatically, in 2006, Mexico redoubled its efforts against the drug trafficking groups, making it harder to move product north, and reducing cocaine availability.

Since 2006, extraditions of Mexican drug traffickers to the United States have more than doubled. In 2009, the Mexican government named its 37 most-wanted drug traffickers, offering substantial rewards for their capture. Of these, at least 23 had been captured or died by the end of 2011. Whole criminal groups, such as the Arellano Felix organization, the Beltrán-Leyva group and *La Familia*,¹⁵ have been decimated. The instability between and within these organizations has contributed to increased violence, but there is no denying that they are much weaker today than before the Mexican security strategy was launched.

The sharp decline in cocaine supply created a vicious circle for drug traffickers. Forced to cut purity and raise prices, they further damaged their consumer base in the United

¹⁵ Also known as “*La Familia Michoacana*”.

Figure 13: Extraditions from Mexico to the United States, 2000-2010



Source: United States Department of State

States. Within two years, the price of pure cocaine effectively doubled, and this surely had an impact on the relative attraction of the drug, particularly for first-time and casual users.

In Mexico, a similar vicious circle was developing. As the Mexican government intensified its law enforcement efforts against the various criminal groups, instability was created both within and between them. Succession struggles caused many to fragment, with the various factions fighting against their former colleagues.¹⁶ Weakened groups became targets for others keen to acquire prime smuggling territory. The balance of power was shattered, and violent conflict was the result.

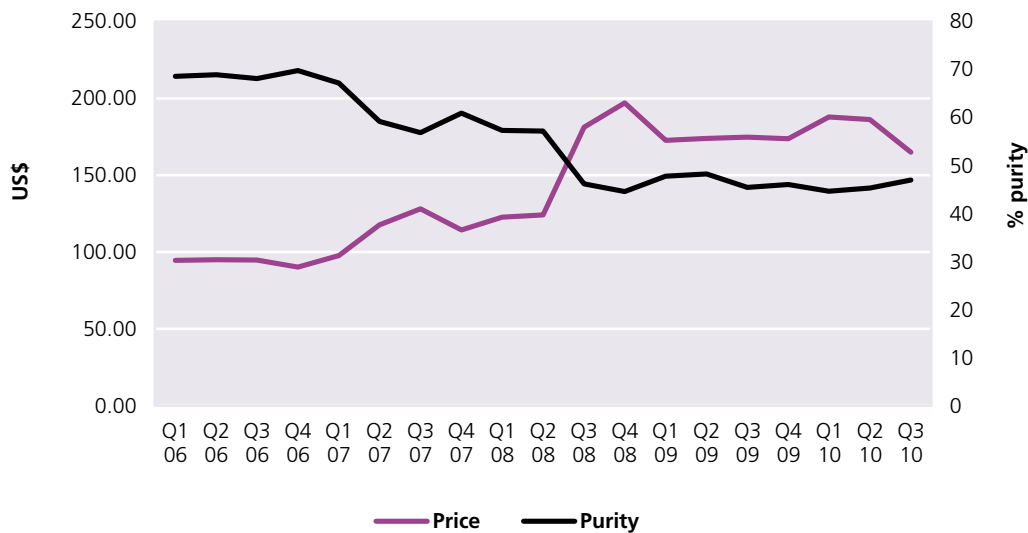
Today, traffickers are competing for a smaller pie under far more difficult circumstances than ever before.¹⁷ As experienced operatives are lost, they are replaced by younger, more erratic aspirants, each eager to demonstrate a capacity for violence.¹⁸

In addition to affecting United States drug supply and demand, the implementation of the new Mexican security strategy in 2006 has had a profound effect on Central America. Between 2007 and 2010, Mexico made some of the largest cocaine seizures in history, and key maritime import hubs became disputed territory. Direct import became more difficult, and the share of the cocaine flow

¹⁶ For example, much of the violence in the northeast of the country is due to fighting between the Gulf Cartel and the Zetas, their former coercive wing. The Zetas broke away from the Gulf in 2010, a move broadly attributed to power struggles after the arrest of Osiel Cardenas in 2003 and his extradition in 2007. Similarly, the killing of Nazario Moreno Gonzales in 2010 led to succession struggles in *La Familia Michoacana*, producing a splinter group, calling itself “*Caballeros Templarios*,” which immediately declared war on *La Familia*. Another example can be seen in the fragmentation of the *Tijuana Cartel* after the arrest of Javier Arellano Felix in 2006, which led to extensive in-fighting. In each instance, fragmentation also prompted territorial expansion by rival groups.

¹⁷ The volumes of cocaine trafficked through Mexico have declined as United States consumption has declined. The volumes consumed in the United States declined by about half in the last decade, and purity adjusted prices have not increased.

¹⁸ For example, much of the escalation of violence in Juarez has been attributed to the use of the Aztecas street gang. Similarly, in Tijuana, so-called “narcos-juniors” were famed for lethality, such as Fabien Martinez Gonzalez (“*El Tiburon*”), attributed with killing a dozen men before his death.

Figure 14: Purity and street price of a gram of cocaine in the United States, 2006-2010

Source: Elaborated from the 2011 National Drug Threat Assessment

transiting Central America increased. Similar to the situation in South America, where strong law enforcement in Colombia displaced trafficking to the Bolivarian Republic of Venezuela and Ecuador, one country's success became the problem of others. Effectively, the front lines have been moved southward, with new "plazas"¹⁹ emerging on the Guatemalan borders.

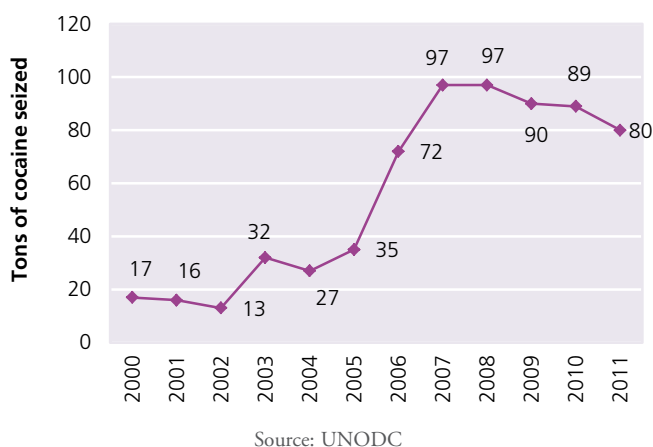
The implementation of the Mexican security strategy augmented the importance of Central American links that had been put in place many years before. Struggles between the Mexican groups became struggles between their allies in the countries to the south. Local political circumstances also influenced this trend. In 2009, President Zelaya of Honduras was deposed by the military. Local law enforcement fell into disarray, resources were diverted to maintaining order, and United States counternarcotics assistance was suspended. The result was a kind of cocaine gold rush. Direct

flights from the Venezuelan/ Colombian border to airstrips in Honduras skyrocketed, and a violent struggle began for control of this revived drug artery.

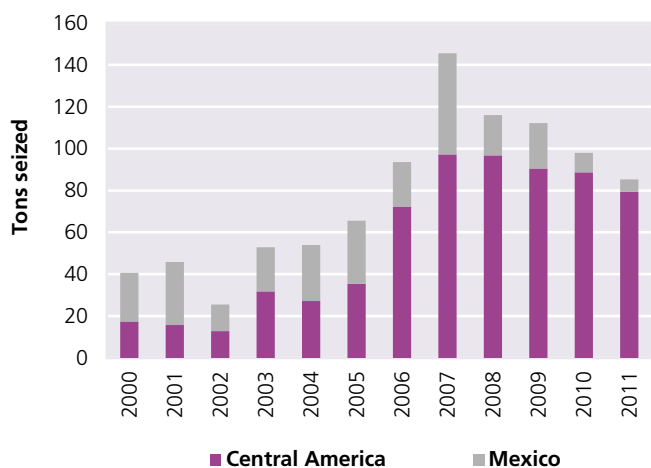
The increased flow through Central America can be seen in the remarkable growth of cocaine seizures in the region. From 2005, the volume of cocaine seized in Central America shot upwards, nearly tripling in two years and plateauing at a much elevated level.

Between 2000 and 2005, the amount of cocaine seized in Central America was about equal to the amount seized in Mexico. In 2011, Central America seized more than 13 times more cocaine than Mexico. Both the cocaine supply to the United States and organized crime in Mexico have been greatly disrupted, and the front lines in the battle against cocaine appear to have been moved further south.

This shift was also reflected in data collected by the United States government about cocaine movement. The share of

Figure 15: Tons of cocaine seized in Central America, 2000-2011

Source: UNODC

Figure 16: Cocaine seizures in Central America and Mexico, 2000-2011

Source: UNODC

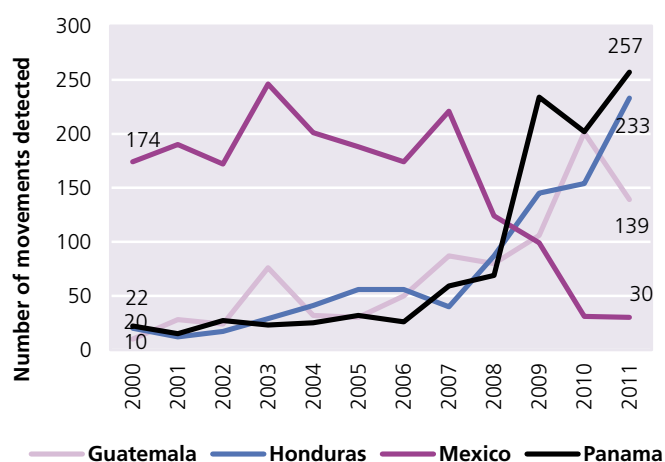
¹⁹ The term "plaza" has been used to describe the territories along the United States-Mexico border across which drugs are trafficked. Most of the major cartels were associated with a particular plaza, usually centered on one of the twin border cities. Control of the plaza meant control of the drug revenues associated with it, so fights for these territories have been fierce.

all detected “flow events” whose first destination or point of seizure were in Central America (rather than Mexico or the Caribbean) shot from a quarter in 2000 to 85% in 2011. Detected direct shipments to Mexico dropped from 174 in 2000 to 30 in 2011, while those to Panama, Costa Rica, Guatemala, and Honduras rocketed upwards, most markedly after 2006. Honduras went from 20 incidents in 2000 to 233 in 2011.

The displacement of trafficking also affected the Caribbean, although the impact was more varied. The Dominican Republic, long an important transit country, saw an increase in trafficking and seizures, while countries like Jamaica and Cuba did not.

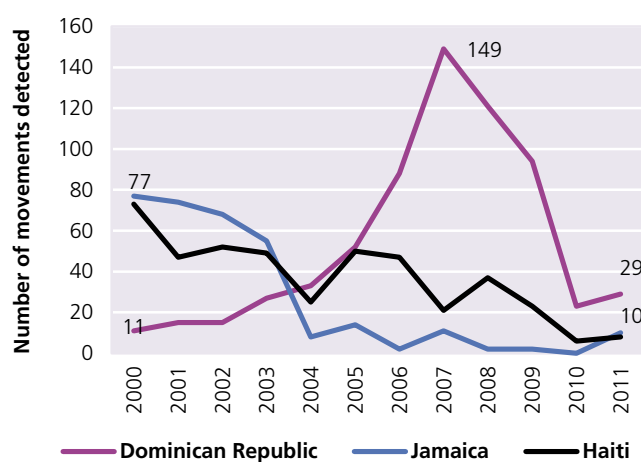
There can be no doubt that Central America has seen an increase in violence at the same time that it has experienced an increase in the volume of cocaine transiting the region. The question is: how are these two phenomena connected? This report attempts to shed light on these and related issues.

Figure 17: Number of primary cocaine movements destined for or interdicted in selected Central American countries and Mexico, 2000-2011



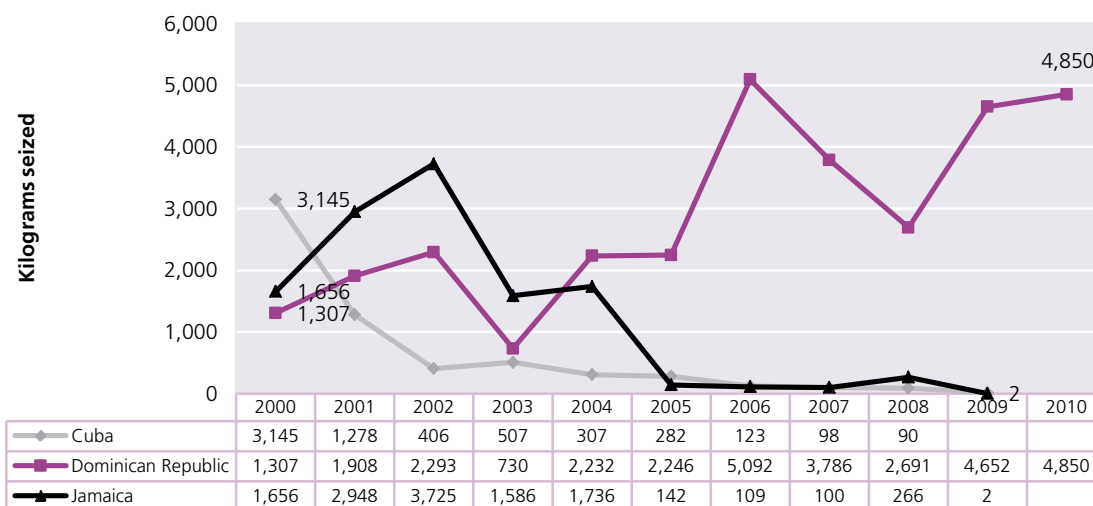
Source: ONDCP

Figure 19: Number of primary cocaine movements destined for or interdicted in selected Caribbean countries, 2000-2011



Source: ONDCP

Figure 18: Kilograms of cocaine seized in selected Caribbean countries, 2000-2010



Source: UNODC