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Interactive Dynamics of "Common" and "Organized" Crime in Latin American Cities: Concepts and Hypotheses[1]

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Crime and fear of crime pose high-priority challenges to governments throughout Latin America and the Caribbean. Scholars and policy-makers need to think more clearly about different types of crime and their interactive dynamics. In this paper we attempt to: (1) clarify basic terms; (2) sketch an analytical framework about interactions among different types of crime; (3) propose hypotheses to illustrate dynamics of interactions; and, (4) suggest some policy-relevant implications. This is a preliminary draft, intended to test the usefulness of the approach.

Common Crime, Organized Crime, and Criminal Organizations

Like "cancer" or "heart disease," the terms common crime, organized crime, and criminal organizations cover multitudes of diverse phenomena. Thus, we need to sort and simplify before taking up interactive dynamics. In a narrow sense, crime is behavior of commission or omission that violates formal rules established by governments. Such

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rules and their applications in the justice system are not neutral but rather are products of political processes that reflect power dynamics in a society. There are relatively few behaviors that are universally proscribed, and we find considerable variation among societies about the seriousness of different types of illegal behavior.[i] We use "*common crime*" in this narrow sense to refer to violations of formal rules by individuals or by small groups that act spontaneously and non-continuously. The violations can be nonviolent (e.g., theft, embezzlement, speeding, tax evasion, and the like) or violent (e.g., homicide, robbery, rape, assault, and the like).

"*Organized crime*" assumes many different forms, and its meanings are strongly contested, but it is qualitatively different from common crime on two crucial dimensions: time and numbers.[ii] Organized crime involves repeat actions over time by multiple colluding actors whose objectives are illegal and warrant substantial penalty.[iii] Organized crime refers to *illicit activities*. Insurance fraud, for example, may involve doctors, lawyers, administrators, and "victims"; migrant smuggling may ally recruiters, transporters, and employers; retail drug distribution can be managed by large, multi-neighborhood bands or small groups of associates. The point is that the broad notion of organized crime allows for many different types of *criminal organizations*, ranging from tight vertical hierarchies of members with long-term commitments, to looser, more ephemeral and non-hierarchical networks, and a range of various mixes in between.

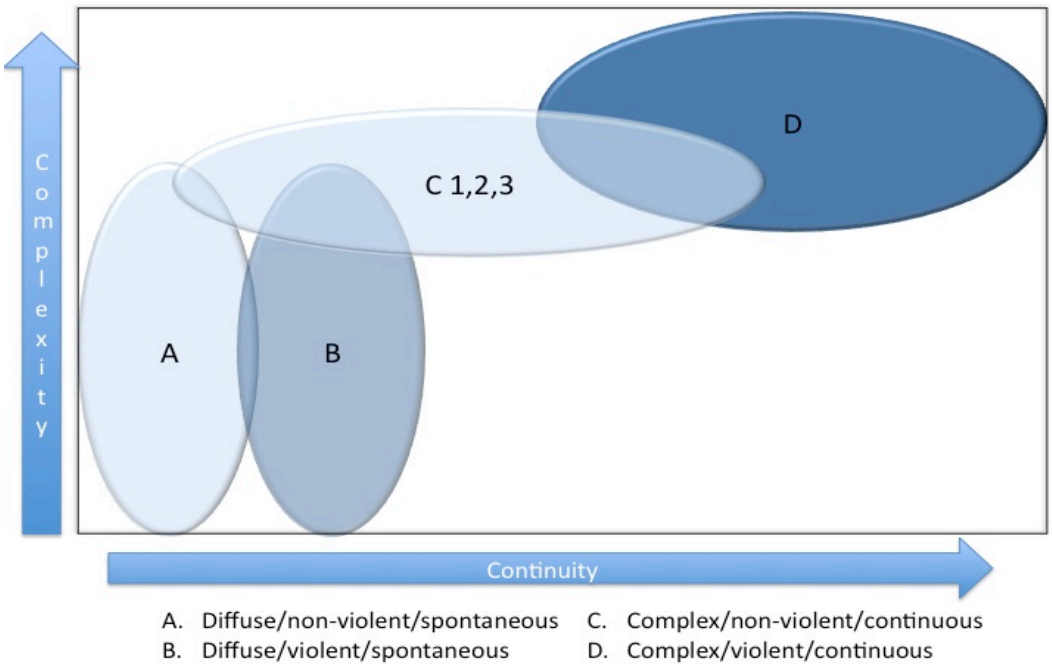
It is useful to differentiate between two broad types of organized crime. One type is *enterprise crime*, which engages in profitable lines of illicit business (e.g., kidnapping, drug distribution, auto theft, gambling or prostitution) that generate sufficient revenues to corrupt public officials. Apart from enterprise crime, a second type of organized crime is

more significant for its ability to intimidate and extort. The type of gang which engages in *extortion-protection* may also generate income through enterprise activities (e.g., drug-trafficking, kidnapping), but its main attribute is its ability to control a given territory through coercion or intimidation and to "tax" both licit and illicit activities. With control through intimidation, it shares one key quality of what Gambetta (1993, 227) suggests distinguishes the Sicilian *mafia* from other forms of criminality.[iv]

Common and Organized Crime: Toward an Analytical Framework

If we focus on criminal *acts* or *activities* we can differentiate between common and organized crime along dimensions of complexity and continuity, as shown in Figure 1.

Figure 1. Types of Common (Diffuse) and Organized Crime



Common crime refers to acts of lesser complexity that are relatively spontaneous and non-continuous. These are acts typically committed by individuals or small groups in relative isolation. We can further differentiate these diffuse acts along a dimension of

violence, with the light colors representing less violent (or nonviolent) behavior. Here domain "A" refers to nonviolent crimes such as individual tax or regulatory evasion, embezzlement, theft, stationary traffic violations, and the like. Domain "B" refers to diffuse, violent, and relatively spontaneous crimes, such as armed robbery, assault, rape, and the like.

Domain "C," the realm of *enterprise* crime, refers to criminal activity of greater complexity and continuity. Some types of enterprise crime (C1) are relatively nonviolent (e.g., prostitution, currency counterfeiting, numbers [*jogo do bicho*] or other forms of gambling). Other types (C2), such as human trafficking, retail drug marketing, or car theft operate with latent violence (i.e., coercion is applied as required). Still others (C3) rely on overt violence, e.g., kidnapping, armed robbery, car-jacking, and the like- "C" overlaps with "A" and "B" in several ways, as we discuss below.

Of particular importance in Domain "C1" are *informal* or *secondary markets*. These are markets that operate largely "off-book" in the sense that they generally evade taxes and regulation. Informal markets can operate in dispersed fashion, with agents or outlets scattered through different neighborhoods; or they might be concentrated with a number of agents and outlets in relatively fixed locations. In some large cities informal markets take up whole neighborhoods (e.g., Tepito in Mexico City; La Merced in Guadalajara; San Juan de Lurigancho in Lima). The point to underline is that these markets are structurally embedded in urban economies throughout the region and provide outlets for a wide range of both licit and illicit products. So, alongside ordinary clothing and household products one can find pirated DVDs and counterfeit designer handbags. Some of the products are smuggled, others are stolen. Alongside the benign, one can

acquire the lethal (weapons, ammunition). Informal markets are thus a significant form of organized crime because they evade taxes and regulation and include a range of illicit goods in their inventories.[v] By and large, the markets operate with little overt violence.[vi]

Domain "D" refers to protection and extortion. Groups operate with overt or latent violence to control a particular territory in which they "tax" individuals and businesses. They may also regulate disputes and impose order. The groups may also engage in enterprise crime, but their distinctive trait is the ability to "regulate" licit and illicit activities through intimidation. The function may be performed by diverse types of organizations, including the uniformed police, militias, guerrilla forces, or criminal syndicates. Whatever the type, however, the protection-extortion gang requires greater complexity and continuity than most types of enterprise crime.

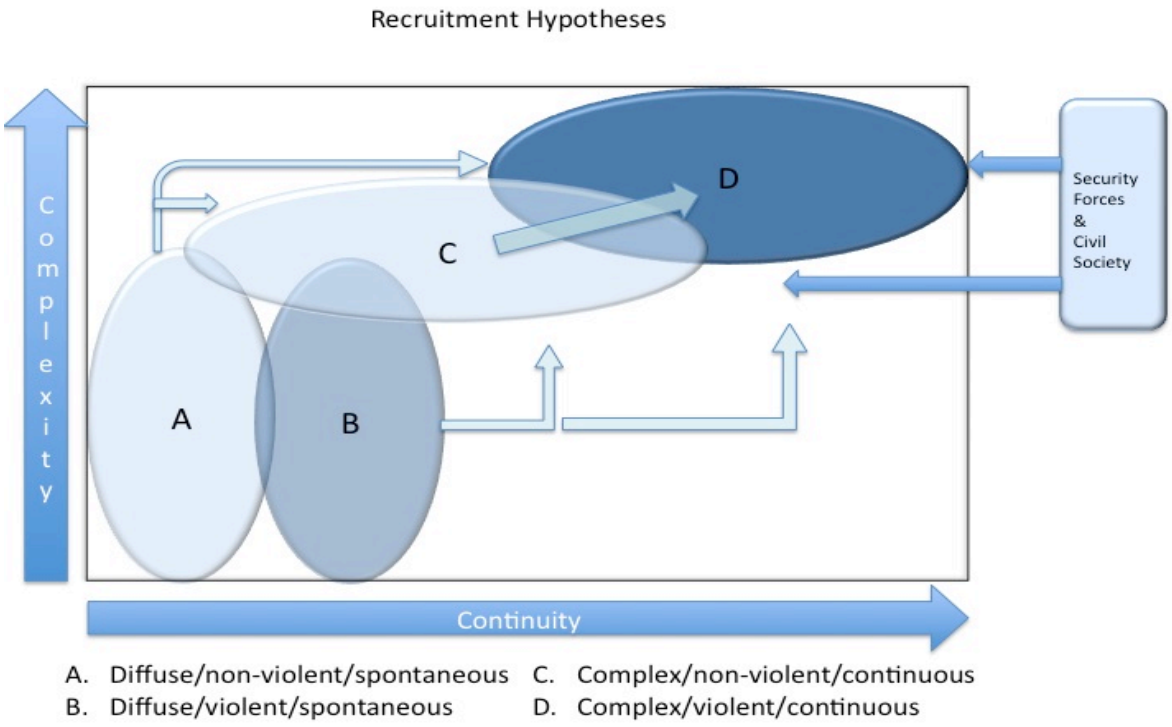
The framework applies to a neighborhood in a metropolitan area, or to contiguous neighborhoods (e.g., a *colonia*, *municipio*, or *comuna*). We have drawn it as self-contained, but we should be alert to exchanges with external actors and activities. The hypotheses about linkages between common and organized crime discussed in the following section are meant to illustrate some of the more important types of interactions; they are not meant to be exhaustive.

Hypotheses about Recruitment

Linkages between common and organized crime (enterprise and protection-extortion) are formed through various recruitment processes, involving prisons, neighborhood social gangs, and state security forces. In most of the metropolitan areas these populations are increasing, which implies a strengthening of both common and organized crime. As shown in Figure 2 below, individuals engaged in criminal activities

in domains “A” and/or “B” can be recruited by criminal organizations operating in domains “C” and/or “D” through the *prison experience*, and/or *neighborhood social gangs*, and public or private security forces.

Figure 2. Recruitment paths from common to organized crime



The first hypothesis, *prison experience*, suggests that individuals incarcerated for common crimes interact and establish ties, voluntary or coerced, with prisoners with extensive experience in different types of organized crime, which can lead to their recruitment into organized crime during and/or following their prison term. The second hypothesis, *neighborhood social gangs*, proposes that young, mostly male residents tend to form gangs with strong territorial bases. The main initial function of most of the gangs is social solidarity, with fairly minor and occasional criminal activity (moving from A

and B into C). Some gang members are recruited into enterprise crime and/or provide personnel for protection-extortion. These two hypotheses are not mutually exclusive, and might be reinforcing. A third hypothesis suggests that members of *security forces* (e.g., municipal and state police; private security firms), can be recruited to directly participate into both common and organized criminal activities instead of (or in addition to) the more typical form of participation through corruption. Their background, training, and varieties of personal and professional ties make them more effective as they move into enterprise and extortion-protection activities.

Hypothesis 1: Prison Experience

With respect to dynamics, imprisonment rates in Latin America have grown exponentially over the last decade. According to Dammert and Zúñiga (2008), Brazil, Colombia, and Peru's prison population increased nearly 148, 133 and 129 percent, respectively, in the last 10 to 12 years. A similar pattern was observed in percentage growth in countries such as El Salvador (99), Mexico (97), Argentina (77), Chile (74), and Ecuador (54).[vii] The immediate consequence of this exponential increase in incarceration rates is overcrowding. Furthermore, these authors also note that the increase in incarceration rates has generally not been matched by government funding and reallocation of expenditures according to inmates' needs such as basic hygiene, or long-term policies like reintegration efforts. Consequently, the penitentiary systems in the region are still characterized by poorly run and overcrowded facilities which have generally failed to rehabilitate offenders (Ungar and Magaloni, 2009, 244).

In this context, and in light of the inefficient police-justice systems that characterize many countries of Latin America,[viii] it is not surprising that some of the

region's prison systems promote the recruitment of common criminals into organized crime. Moreover, even though the variety of ways in which countries classify different types of crime makes a regional comparison almost impossible (Dammert and Zúñiga, 2008), the available data suggest that the inmate population is generally composed of first time offenders,[ix] most of whom are young[x] and serving relatively short sentences as a result of petty crimes.[xi] This *prison experience* hypothesis builds on these overall characteristics of the inmate population, which--combined with general overcrowding and delays in trials and sentences[xii]--help explain patterns of recruitment of common criminals by more complex and continuous criminal organizations through two main interactions that go hand in hand.

First, as Ungar and Magaloni (2008, 244) suggest, for a prison system to work as an effective instrument of dissuasion, citizens and potential criminals must perceive that detention is likely, which is not a prevalent perception in Latin America. It follows then that, if a system fails to detain and prosecute some of the most dangerous and violent criminals or dismantle their organizations, the perception that organized crime is a relatively low-risk occupation probably provides incentives for common criminals to join these organizations, even while incarcerated. For example, estimates suggest that the violent and powerful Primeiro Comando da Capital (PCC or First Capital Command) has managed to recruit approximately 12,000 members currently serving sentence and 6,000 members outside prison, all of who pay monthly dues (Ungar and Magaloni, 2009; Arias, 2006; Hanson, 2006). Furthermore, it is widely acknowledged that many prisoners join the PCC in order to guarantee their safety (Arias, 2006, 176; and Hanson, 2006), and most continue paying fees outside prison (Solis and Rojas, 2009, 75). In addition to

personal safety, recruitment is probably facilitated by the extremely limited employment prospects available to a growing population of ex-convicts, most of whom were sentenced to less than 5 years. Job placement is also hampered by the lack of effective reintegration policies. To illustrate, in Trinidad and Tobago and other Caribbean countries, it is common that unemployed young men recently released from prison are targeted and recruited by criminal organizations (UNODC & World Bank, 2007).

Second, the extremely high rates of prisoner overcrowding in Latin American, combined with the high rates of prisoners awaiting sentence, and the lack of adequate separation of prisoners according to types of crime, can lead to "criminal contamination" (Dammert and Zuniga, 2008). This has lead to the growing popular notion that for first time delinquents, prisons can become "schools of crime." There are no reliable data to support this claim and, even though recidivism rates tend to be high,[xiii] it is difficult to demonstrate causation. However, some anecdotal accounts point in this direction. In this respect, perhaps the most known example of the result of "criminal contamination" is the formation of the Comando Vermelho in Rio de Janeiro between 1969 and 1976, as a result of locating political and common prisoners in the same prisons (Dowdney, 2003; Arias, 2006).

In sum, the *prison experience* hypothesis suggests that the characteristics of Latin America's penitentiary systems and inmate population, as well as socioeconomic conditions, facilitate interactions between common criminals who might decide (voluntarily or otherwise) to join violent criminal organizations—domains "C" and "D"--as a means to gain protection and income, as well as the possibility of pursuing a career.

Hypothesis 2: Neighborhood Social Gangs

Youth gangs have become a common feature of crime and violence in most Latin American cities. Such gangs vary enormously, from relatively small groups in specific neighborhoods to several hundred members across several contiguous neighborhoods. The gangs are significant "doorways" into both enterprise and protection-extortion activities.

As a category of common and organized crime youth are typically prevalent as both perpetrators and victims of violence. When homicide rates are disaggregated by age group, every country in the region shows a higher rate for individuals under 25 than for the overall population. For example, Brazil's homicide rate per 100,000 jumps from 25.9 for the overall population to 52.9 for the under 25 age group; Colombia rises from 52.6 to 88.1; El Salvador from 39.6 to 74.4; Venezuela from 30.1 to 66.8; and Guatemala from 28.5 to 55.4. Relatively less violent countries show similar tendencies: Chile from 5.4 to 7.9; Mexico 8.8 to 10; and Argentina 5.8 to 9.4 (Waisfelfisz, 2008).

This rise in youth violence has increased along with the number of gangs in urban and socially excluded neighborhoods. Data from El Salvador, Honduras, Guatemala, and Nicaragua alone, estimate that there are over 400,000 young people actively participating in more than 2,000 gangs (Rojas and Solis, 2009). On the upper end of size, Mexico's Barrio 18 gang might have as many as 15,000 members. Even though youth gangs and violence seem to be prevalent in the region, there are salient differences among gangs in terms of size, structure, objectives, modus operandi, degree of violence, and recruitment, among others. At the same time, however, when analyzing the different interactions

between youth gangs and the more complex and violent criminal organizations operating in domain "D," evidence shows that gangs are evolving and actively participating in secondary markets and protection-extortion activities.

The hypothesis about *neighborhood social gangs* suggests that some gang members are being recruited by both enterprise crime and protection-extortion organizations mainly as a result of their ability to secure territories, expand complex operations in illegal markets, and facilitate/commit certain crimes such as homicide or human trafficking. Furthermore, due to their increasing interactions with enterprise crime, youth gangs are receiving significant profits –and guns- that enable them to recruit more individuals to expand their territory, and participate in more complex and sometimes violent illicit activities. At the same time, profits and weapons have also contributed to an increase in violent disputes among gangs that fight over territory and control of secondary markets.

The interactions between youth gangs and organized crime seem to be increasing because they are mutually beneficial. For example, in Central America, enterprise crime supplies drugs and guns in exchange of distribution and sale of drugs (Arias Foundation, 2006). In Mexico, at least three major drug cartels have strong ties with the Buendia gang which disposes of "surplus" cocaine by selling it in Mexico City; another Mexican gang, Los Texas, collaborated with the Arellano-Felix organization in various illegal activities such as kidnapping and drug trafficking (Miro, 2003). Moreover, in many cases, criminal organizations have developed complex structures and divisions of labor in which youth gangs play significant roles. In the Dominican Republic, where incarceration of children younger than 13 is prohibited, criminal organizations employ such children to carry out

both petty and serious crimes (UNODC & World Bank, 2007). Recruitment of underage youth also takes place in the Iztapalapa *delegación* of Mexico City, where approximately 132 gangs were involved in drug distribution, car theft, and arms trafficking (Yanez, 2005). In sum, criminal organizations recruit youth gangs and underage youth in order to expand complex operations in secondary markets and violent activities, and youth gangs are benefiting from profits and firepower that enables them to expand their territory and influence.

Hypothesis 3: Security Forces

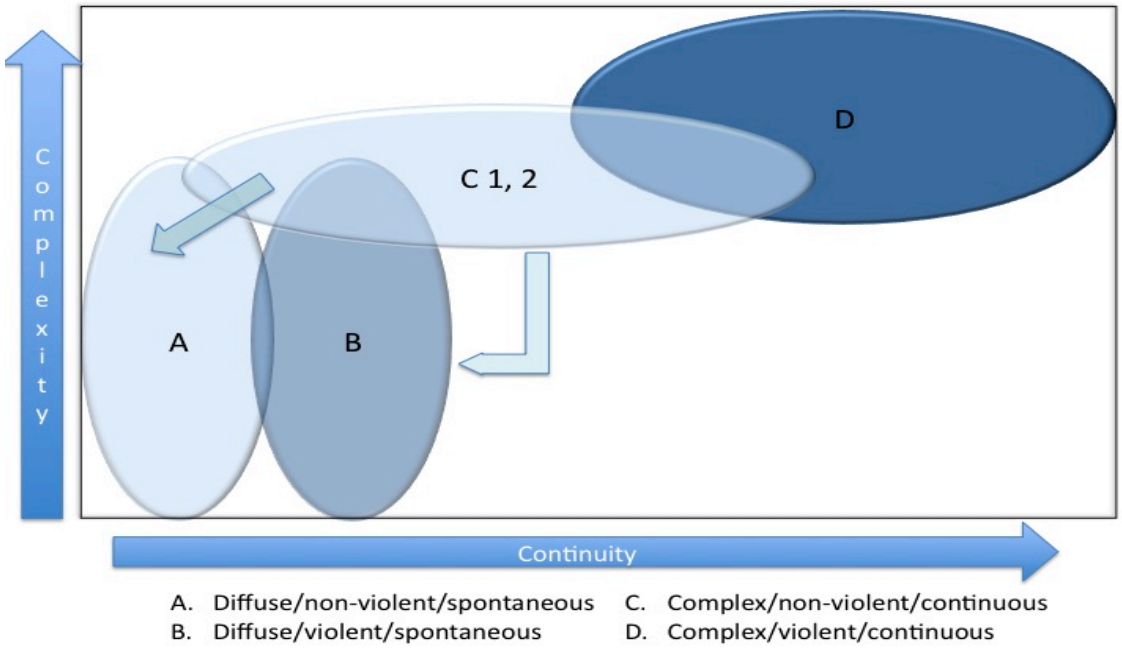
The near-universal response to perceptions of rising crime and insecurity throughout Latin America is the expansion of security forces both by governments and markets. Although both public and private security forces deal with varieties of threats, their main objective is common crime. Both preventive (uniformed) police and private security personnel mainly engage in routine neighborhood patrolling or in stationary vigilance. Our third hypothesis suggests that significant numbers of security personnel engage in common crime and may be recruited into various types of organized crime. One of the recurring measures that reinforce these patterns is the purging of police forces due to allegations of corruption. [Data are missing here due to computer issues.]

Hypotheses about Interactions

Interactions between common and organized crime (enterprise and protection-extortion) are established through various dynamic processes involving illicit or secondary markets, as well as the regulation of common crime by powerful criminal organizations. In this vein, hypotheses 4, 5, and 6 suggest that certain types of linkages revolve mostly around these illegal markets. As figure 3 shows below, the interactions

involving illicit actions in domain "C 1 and 2" can have a direct impact on common crime -domains "A" and "B". In addition, hypothesis 7 directs our attention to increasing interactions between generally more violent and complex organizations (protection-extortion) operating in domain "D" and the other types of crime, e.g, domains "A", "B", and "C".

Figure 3. Interactions between common crime and organized crime (hypotheses 4-6)



Hypothesis 4: Retail illicit drug marketing (narcomenudeo) *promotes common crime.* The main linkages here are forms of diffuse social disorganization related to drug abuse (as suggested in Figure 3, domain "C2"). With respect to the main illicit drugs (marijuana, cocaine, heroin, and chemical), there is extensive scholarly and journalistic treatment of the intra- and inter-gang violence related to trafficking, as discussed above. The main information gap is the rate of growth of illicit drug markets in Latin America's cities and the links between individual drug abuse and forms of property and violent crime.

The first national-level comparative study that we are aware of appeared in 2008, reporting cross-sectional findings on Argentina, Chile, Uruguay, Bolivia, Ecuador, and Peru. Among prohibited drugs, marijuana was most prevalent: 4.8 percent of respondents report use in the last year. Usage is higher in Argentina, Chile, and Uruguay, among males, tobacco users, and in the 15-34 age group. Cocaine use in the last year was reported by 1.4 percent of respondents, with higher rates in Argentina (2.67) and Uruguay (1.68) and in the 15-34 age group (Argentina, 3.3; Uruguay 2.89). Both marijuana and cocaine use are above world averages. (Naciones Unidas 2008) The data tell us nothing about change over time, but anecdotal evidence suggests that drug use is increasing.

Hypothesis 5: Informal markets promote common crime

Informal markets are largely provisioned by complex forms of national and transnational organized crime. Some products, probably an insignificant amount, reach these markets as a result of diffuse robbery or theft. The markets are generally nonviolent (as suggested in Figure 3, domain "C1") and promote common crime in a more important sense in two direct ways: (1) tax and regulatory evasion, and (2) violations of trademark and patent rights. Tax evasion occurs as sellers fail to collect and report some or most of value-added (sales) taxes. Regulatory evasion occurs as sellers and purchasers disregard some or most of restrictions on goods, e.g., required prescriptions or expiration dates for medicines; fireworks or other hazardous products. Violations of trademark and patent rights occur with sales of pirated goods, e.g., designer clothing, computer software, recorded music, and movies.

In addition to these direct linkages, it is probable that participation in informal markets reinforces attitudes of indifference toward some aspects of the state's law,

especially with respect to nonviolent property crime. The price differential for untaxed items, which may also be stolen, smuggled, or counterfeited, along with the state's inability or unwillingness to enforce regulation, produces powerful incentives for broad strata of urban populations to patronize informal markets. We have data that show that customers are aware of the illegal origins of goods and see that informality promotes crime more generally; we do not know, however, whether such awareness reinforces tolerance for other forms of nonviolent crime.

Informal markets are difficult to measure, and we lack comparative studies of informality in retail markets in Latin American cities. Schneider (2007, 4-5) estimates the "shadow economy" of 145 countries, taken to mean all market-based production of goods and services that are deliberately concealed from public authorities in order to avoid taxes and social security contributions, labor market regulations (e.g., minimum wage, safety standards), and reporting requirements (e.g., statistical forms). He excludes criminal activities (e.g., robbery, drug-dealing) and household services and production, so the estimates are probably on the low side.[xiv] As we see in Table 1 the regulatory reach of governments varies considerably, with informality much more pronounced in Guatemala, Peru, Uruguay, and Colombia than in Chile, Costa Rica, or Mexico. With respect to dynamics, Schnieder's data suggest that informality is fairly stable across 1999-2005.

Table 1. Informality as Percent of GDP					
Country	Year				
	1999/00	2001/02	2002/03	2003/04	2004/05
Mexico	30.1	31.8	33.2	32.6	31.7
Chile	19.8	20.3	20.9	20.3	19.4
Colombia	39.1	41.3	43.4	43.0	42.7
Costa Rica	26.2	27.0	27.8	27.1	26.3
Guatemala	51.5	51.9	52.4	51.1	50.3
Peru	59.9	60.3	60.9	59.1	58.2
Uruguay	51.1	51.4	51.9	50.8	49.2
Unweighted average of 145 countries	33.6	34.5	35.2	34.9	34.3

Source: Schnieder (2007, Table 6.3, pp. 34-37).

What do customers in informal markets perceive about implications of their behavior? We do not have cross-national data, but a 2009 survey conducted by the American Chamber of Commerce of Mexico and the U.S. Chamber of Commerce compares four cities of Mexico (N = 1183). The survey found that 76 percent of those interviewed had purchased a pirated item; 70 percent purchased such items "occasionally."[xv] The main reason given (by 75 percent) was cheaper price. The majority (52 percent) recognized that such purchases are "an illegal act" (AmCham 2009, 6). With respect to perceptions Table 2 shows that large majorities (82 percent) recognize that piracy promotes crime.

Table 2. Opinions expressed about piracy in four Mexican cities, 2009

Los entrevistados consideran que la piratería

	México	Guadalajara	Monterrey	Tijuana	Total
Atenta contra la seguridad	72%	72%	76%	76%	74%
Fomenta la delincuencia	75%	84%	84%	89%	82%
Debilita la Economía Mexicana	84%	81%	84%	90%	84%
Evita que las marcas se vuelvan ricas	73%	73%	80%	77%	75%
Evita que se paguen precios excesivos	84%	80%	85%	88%	84%
Hace que las marcas bajen sus precios	70%	65%	80%	72%	71%
Está presente en medicamentos	82%	82%	79%	78%	81%
Existe en cigarros	81%	65%	74%	62%	72%
Está presente en bebidas alcohólicas	90%	84%	78%	77%	83%
Atenta contra la innovación	65%	65%	81%	69%	69%

Source: AmCham 2009.

Hypothesis 6: Weapons trafficking connects enterprise and common crime

Among the forms of enterprise crime, weapons trafficking is particularly important because of its multiplier effect on diffuse violent crime (as shown in Figure 3, domain "C1"). In other words, in addition to the expansion of the secondary market for weapons, the rise of other illegal markets as well as the number of gangs and criminal groups that are acquiring more firepower can partially explain the rise in violence. In this respect, Latin America has the highest number of firearms per capita, and even though the region hosts 14 percent of the world's population, it reports 42 percent of total global homicides by firearms (Solis and Rojas, 2009). Therefore, it is not surprising that thirteen out of the fifteen countries in the world with the highest homicide rates by firearms are in Latin America (Saenz Breckenridge, 2007). For example, both in Jamaica and Colombia, 79 percent of the total homicides involve the use of firearms, whereas Brazil and Argentina's rates are approximately 69 and 48 percent respectively (OEA, 2008).

Table 3 provides an estimate of the total civilian firearms by country, as well as the homicide rate by firearms, and the youth homicide rate for firearms.

Table 3. Total firearms and homicide rates for selected Latin American countries

Country	Total civilian firearms (millions)	Homicide rate by firearms	Youth homicide rate by firearms
Colombia	4.2 - 10.2	47.0	80.5
Venezuela	1.2 - 6.0	43.5	104.7
Brazil	20 – 30	19.9	44.2
Ecuador	0.2 - 0.5	12.6	18.1
Uruguay	0.9 - 1.6	10.1	12.6
Argentina	4.1 - 5.6	7.3	13.1
Mexico	3.5 - 16.5	6.0	7.0
Chile	1.4 - 2.0	2.9	4.4

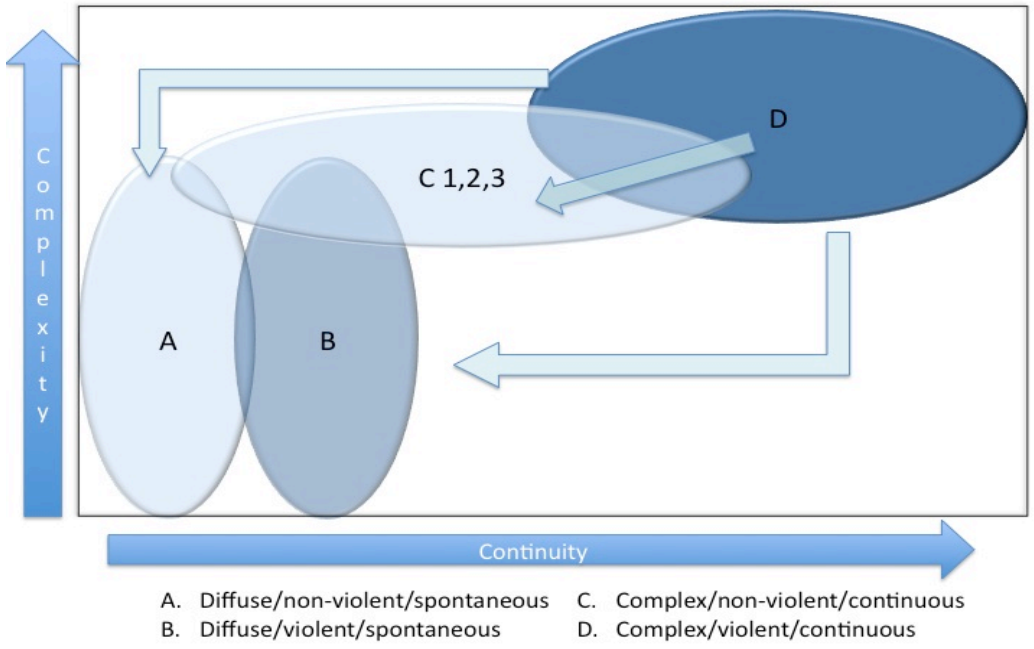
Sources (OEA, 2008 with data from Small Arms Survey 2002; and Waiselfisz, 2008)

The expansion of the illegal markets for firearms in most Latin American countries has made guns more accessible than ever before. In addition, the dramatic increase in arms supply has drop prices of certain types of weapons which also facilitate their acquisition. For example, in certain neighborhoods of Mexico City, a gun can be bought illegally for as little as $50 dollars (Saenz Brckenridge, 2007). As a result, it is now common that almost all types of criminals carry weapons, which in turn have lead to an increase in violence. Along the same lines, the increase in the number of weapons is particularly worrisome as other secondary markets expand, especially that of illicit drugs. In this understanding, the continuous flow of weapons, along with the fragmentation of a number of profitable secondary has also resulted in more violence since criminal organizations and youth gangs start fighting for both territories and markets.

Hypothesis 7: Protection-extortion gangs can "regulate" common crime, either promoting or repressing it.

As pointed out, the defining trait of protection-extortion organizations is to tax and regulate both individuals and forms of enterprise crime, as shown in Figure 4.

Figure 4. Linkages between protection-extortion and organized and common crime



Our interest here is diffuse forms of common crime. In terms of repressing common crime, as Gambetta (1993, 166) notes: "The mafia at times polices its territory as if it were responsible for public safety." In this respect, established protection-extortion gangs can regulate or prohibit certain types of crime and can administer punishment to offenders. Among the best documented cases are: paramilitary forces and *milicias* in Medellín (Rozema 2008; Ramírez 2007), and *milícias* and trafficking organizations in Rio de Janeiro (Arias 2006; Arias and Davis 2006). We do not have a clear sense about whether protection-extortion organizations are increasing their spheres of control or influence.

Implications for Policy

Efforts to reduce crime and violence and to control illegal networks and secondary markets depend on policy interventions that can block to one or another degree

the various paths of recruitment from common to organized crime and complicate the interactions among them. Policy interventions need to be carefully tailored to specific cases. Rather than elaborate policy recommendations, we offer a series of general ideas that might serve as a basis for discussion

Policy Implications for Recruitment Hypotheses

Prison Experience

- Reduce overcrowding and improve services in prisons.
- Accelerate due process for those awaiting sentence.
- Reduce criminal contamination by segregating criminals by type of crime.
- Develop rehabilitation programs in prisons.
- Develop reinsertion programs to facilitate social integration (employment, training, counseling).

Neighborhood Social Gangs

- Create public spaces and recreation activities for at-risk youth.
- Develop employment opportunities targeted at youth.
- Provide special attention to at-risk groups (e.g., counseling).
- Involve youth in community activities.
- Monitor expansion and areas of gang activity.
- Promote community policing.

Security Forces

- Certify and register private security personnel.
- Develop tracking system for accurate career of security forces.
- Strengthen internal affairs units in charge of monitoring activities within security forces.
- Special elite units.

Policy Recommendations for Interactions Hypothesis

Drug distribution markets

- Drug education and counseling
- Annual surveys of drug consumption; standardized instrument.
- Surveys of hospitals, clinics, and physicians about drug-related treatment.
- Use of informants and “controlled buys.”

Informal markets

- Civic education about negative effects of informal markets.
- Enforcement targeted on supply chains (raise price of products).
- Enforcement targeted on illicit drugs and weapons.

Weapons trafficking

- National and international cooperation on weapons registration and trace technologies.
- Amnesty and government purchase of weapons.
- Use of informants and "controlled purchases."

Protection-extortion

- Secure tip lines for informants.
- Witness protection.
- Sentence reduction for cooperative witnesses,
- Intelligence-led policing.

Conclusions

Crime and fear of crime remain a priority challenge throughout most of Latin America and the Caribbean. In this paper, our purpose was to clarify basic terms and sketch a framework to help us understand the interactive dynamics among different types of common and organized crime. We suggested seven hypotheses based on two types of dynamics that seem to prevail between organized crime and common crime: paths of recruitment, and types of interactions. Many other hypotheses might be suggested. The nature of the data in some cases (e.g., prison experience, neighborhood gangs, weapons trafficking) allowed us to speculate about direction of change, while data limitations in other cases (e.g., protection-extortion gangs regulate common crime) prevented such estimates.

If the concepts and framework are useful, where might we go from here? We suggest two types of priorities: data collection and structured case studies. Several data gaps deserve priority attention. Informal markets (volume of products, mixes of licit and illicit products and services, supply chains); social harms related to drug trafficking and abuse; factors that shape decisions (youth gangs, prisoners, security personnel) to move from common crime on to forms of enterprise and protection-extortion are obvious

examples. The framework simply sets out types of crime and possibilities for recruitment and interaction. Structured case studies (e.g., most similar cases) of metropolitan regions or of neighborhoods can give us a clearer sense of the ways in which the variables interact empirically. These sorts of findings, in turn, can help us restate or refine the basic model.

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[i] Notions of crime become more complex when we move beyond formal rules to consider perceptions and attitudes. Legal pluralism views the state's law is but one of many codes that guide individual behavior. Factors that influence the reach of the state's law include its origin (e.g., whether it is based on the realities and experiences of the society or produced in an arbitrary or formalistic way), whether the political system overall is considered broadly legitimate, and whether the state's police, regulatory, and judicial apparatus are viewed as fair, credible, and effective. In the weakest of circumstances, the state's law is disconnected from reality (e.g., hardening penalties with little attention to likelihood of prosecution), produced by a system widely viewed as illegitimate, and implemented by agencies that are seen as inept and/or corrupt. In these circumstances it becomes rational to ignore or evade the state's law. Other codes of conduct take precedence, whether administered by gangs, neighborhood or regional strongmen, churches, families, or other reference groups.

[ii] The discussion of organized crime draws on Bailey and Taylor (2009). See, for example, von Lampe (2002) and Finckenauer (2005), for a discussion of the many different definitions and conceptions of organized crime. UNODC (2002) provides an especially useful analysis of the links between organizational variations of transnational organized crime and patterns of violence and corruption.

[iii] Legal definitions of organized crime typically include notions of conspiracy (affiliation with an organization that commits a crime is itself a crime) and specify the types of activities covered (e.g., kidnapping, forgery, and the like).

[iv] Gambetta (1993, 155) characterizes mafia "as that set of firms which (1) are active in the protection industry under a common trademark with recognizable features; (2) acknowledge one another as the legitimate suppliers of authentic Mafioso protection; and (3) succeed in preventing the unauthorized use of

their trademark by pirate firms." Ruggiero (2009, 21) makes the same point: "In my view, for an understanding of organized crime, you have to make a preliminary distinction: you have organizations that are engaged in conventional illicit business, such as prostitution, gambling, smuggling, drugs trade, etc. These are criminal enterprises, traditionally called syndicates, which operate in illegal markets and the so-called underworld, where obviously they respond to certain demands for these illicit goods and services, but also promote these demands. The second type of organization do not limit their operations to the realm of illegal markets, but slowly gain access to the official economic and political spheres. This second type, through this simultaneous presence in legitimate and illegitimate domains, obviously exerts territorial control and sometimes constitutes real power systems**,** which in a sense transcends conventional criminality. The very phrase, organized crime, in Italy very often refers to this type of criminal activity. Not to prostitution, but to power systems. This is exemplified by groups such as the Sicilian mafia, the Camorra in Campania and the Ndrangheta in Calabria."

[v] Readers interested in the conceptual challenges of informality, or its multiple causes and effects on the broader economy, or in why workers may choose to enter or exit the informal market should consult Perry et al. (2007). Those interested in informality in the class structures of Latin American countries over the past few decades should consult Alejandro Portes (1985) and Portes and Kelly Hoffman (2003).

[vi] In this sense, Silva de Sourza (2004, 150) differentiates between informality and drug-trafficking rings in Río de Janiero. His key point is that informal economies rely more on social suasion for enforcement, whereas illegal economies rely more on corruption and illegitimate violence to enforce agreements. "Esto significa que la manera como se realiza el comericio es más important que la simple característica o estatus del producto cuando se trata de diferencias lo informal de lo ilícito . . . " (*ibid*., 153).

[vii] In certain cases, for example Colombia and Bolivia, the number of prisoners has started to decrease at a low rate over the past few years.

[viii] Ungar and Magaloni (2009) claim that even though incarceration rates have increased, the type of offenders convicted shows which crimes are detected and prosecuted (235). Thus, for example, in the case of Mexico, data show that the system mostly detains people for petty crimes (236).

[ix] In the case of Mexico City and the State of Mexico, inmate surveys from 2002, 2005, and 2009, show that 23.6, 25.2, and 29.3 percent of prisoners had been in prison before (Azaola and Bergman, Delincuencia, Marginalidad y desempeno institucional, CIDE, 2009). In Brazil, 18% of men and 9% of women had been convicted previously, whereas in Uruguay 58% of men and 24% of women, and 15% of men and 7% of women in Paraguay (Dammert and Zuniga, 2008).

[x] In the state of Sao Paulo, 57.2% of the prison's population is under 30 years old, and 75.6% under 35. In the case of the state of Rio de Janeiro, 55% of inmates are under 30 and 72.3% under 35 (Ministerio da Justicia, Sistema Integrado de Informacoes Penitenciarias-InfoPen, 2010). In Mexico City and the State of Mexico, 49% of inmates are 30 or under, and 32.9% are between 31 and 40 years old (Azaola and Bergman, op.cit).

[xi] In Mexico, 63% of offenders receive sentences of three years or less (Ungar and Magaloni, 2009). In the state of Sao Paulo, approximately 20% of offenders receive a sentence of less than 4 years, whereas in the state of Rio de Janeiro 16.1% receive the same sentence.35 (Ministerio da Justicia, Sistema Integrado de Informacoes Penitenciarias-InfoPen, 2010). In the case of the states of Sao Paulo and Rio de Janeiro, these figures are only for those who have actually received a sentence; in Sao Paulo 32.8% of prisoners has not received a sentence, and in the case of Rio de Janeiro the figure rises to 43.8%.

[xii] According to Dammert and Zuniga (2008), the percentage of people in prisons without sentence has increased significantly. In Bolivia almost 75%, Venezuela 59%, Brazil 42%, Mexico 39%, Guatemala 51%, and in Uruguay, Peru, and Paraguay, these figures are above 60%

[xiii] In Mexico City and the State of Mexico the rate of recidivism grew 17% from 2005 to 2009 (Azaola and Bergman, op.cit). There are no data for Chile but some estimate that the rate is around 70% (Dammert, Violencia criminal y seguridad ciuadana en Chile, Flacso, Serie Politicas Sociales 109, p.41).

[xiv] Schneider uses the DYMIMC (dynamic multiple-indicators multiple-causes) and the currency demand methods for his estimates.

[xv] Chambers of commerce are vocal opponents of informality, so we should be cautious about accepting their findings on face value.