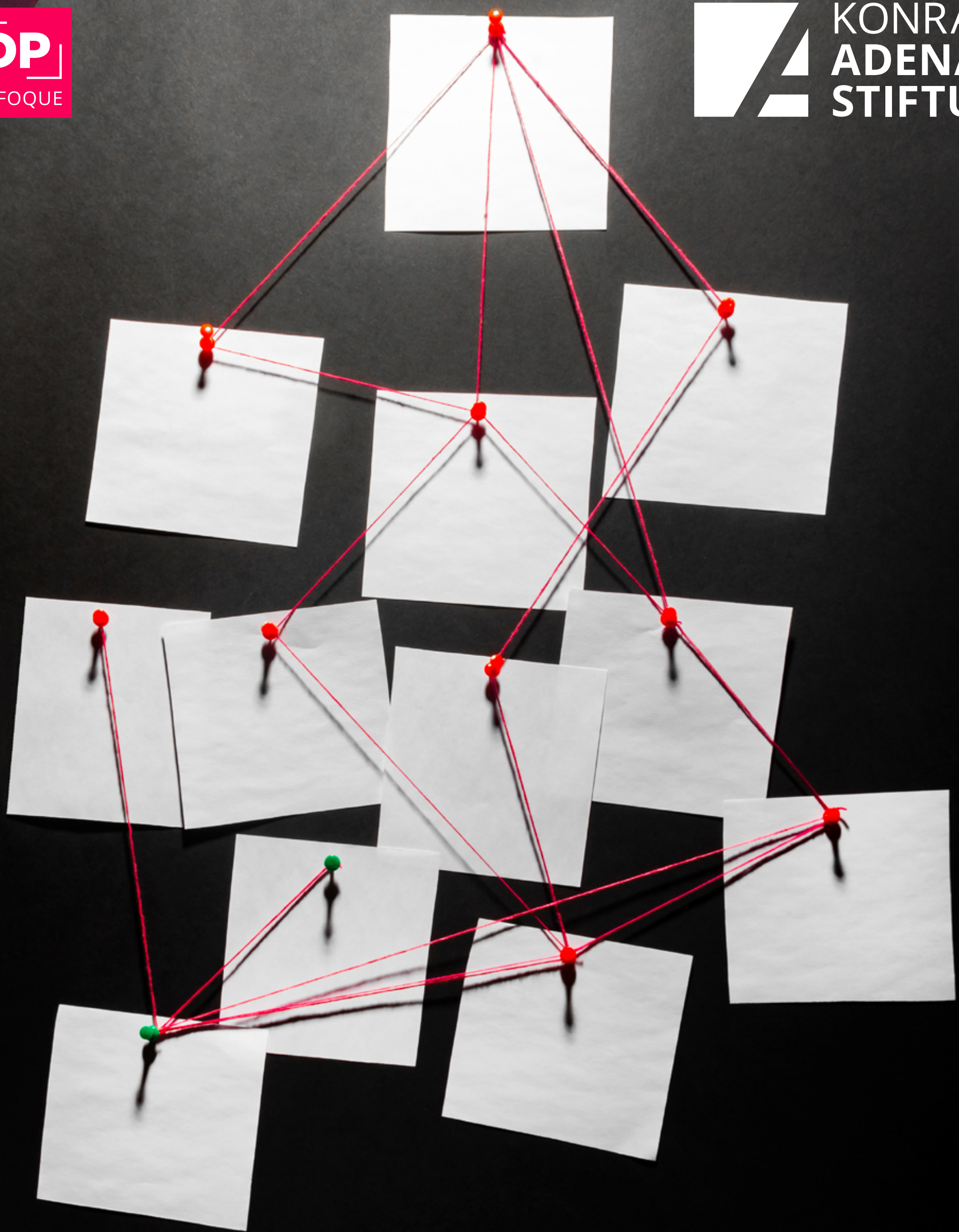

From the Streets to the State: *How Organized Crime Is Reshaping Politics in Latin America*

Douglas Farah y Pablo Zeballos

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Summary

Organized crime no longer operates in the shadows: it is redefining regional politics, eroding institutions, and striking deals with authoritarian governments. Latin America is facing a fourth criminal wave that poses a serious threat to democracy. Addressing it requires new strategies capable of grasping both the magnitude and the complexity of the phenomenon.

1. Introduction

In Latin America, organized crime has ceased to be a marginal or peripheral threat and has instead become a central actor that poses an existential danger to representative democracy and the rule of law. While all democracies—and the institutions that sustain them—are by nature fragile and often vulnerable, it is now more urgent than ever to reconsider the multiple impacts of organized crime. The massive infiltration of illicit financial resources and corrupting incentives into political systems, both at the national and regional levels, demands profound and coordinated responses that fully acknowledge the scale of the challenge.

These actors, both regional and extra-regional, are redefining the rules of the game across territories: they capture state functions, co-opt institutions, and even subjugate entire states, eroding democratic foundations until only an institutional shell remains. It is a phenomenon that—following the analogy of a virus—spreads silently, unnoticed at first, until it ultimately destroys the organism that hosts it (Zeballos, 2024). **No country should consider itself immune; several governments are already in advanced stages of collapse under the weight of this corrosive expansion.**

The other side of the weakening of democratic states is the rise of populism, which conceals ideologically agnostic forms of authoritarian government. **These regimes prioritize remaining in power over upholding institutional norms and, to that end, do not hesitate to instrumentalize transnational organized crime as a tool of state policy.** The most emblematic case was the alliance of the Bolivarian countries—Venezuela, Bolivia, Ecuador, Nicaragua, and Cuba—with the Revolutionary Armed Forces of Colombia (FARC), when that organization became the world's largest producer and distributor of cocaine. That relationship set a precedent for how an armed insurgency can transform itself into a central actor in transnational crime with state backing.

Among the authoritarian states that today consolidate their power through functional alliances with organized crime are Venezuela, Nicaragua, and El Salvador. Although they define themselves from different ideological positions—some from the left, others from the right—they share the same model of authoritarian consolidation, based on institutional weakening, concentration of power, media suppression, politically motivated judicial persecution, and the instrumentalization of violence. The main divide is no longer, as it was in the past, between right and left, but between two radically different forms of political organization: participatory, institutional democracy versus authoritarianism sustained through pacts with transnational criminal networks (Feeley et al., 2023).

In this context, it has been suggested that we are experiencing one of the most profound, rapid, and structural transformations in the multiple dimensions of transnational criminal organizations (TCO) and its associated illicit economies. This reordering—marked by chaos, violence, and the erosion of the legal order—has global implications, with a particularly acute impact in Latin America.

This abrupt and disruptive evolution of norms compels us to question long-held assumptions. In the words of Bertrand Russell: "In all affairs it's a healthy idea, now and then, to hang a question mark on the things you have long taken for granted." Today, more than ever, that warning is relevant in light of the fragility of democratic frameworks and the limitations of our institutional responses.

This study seeks precisely to place question marks over traditional analyses and interpretations that for a long time have been considered central to understanding the multiple relationships between the state and TCO—truths once seen as unquestionable, but which today appear outdated in the face of a far more complex reality.

2. The Fourth Wave: Transnational Organized Crime

The classical approach that places the fight against drug trafficking at the center—often the exclusive focus—of combating transnational criminal organizations (TCO), disconnected from social, educational, economic factors or gaps in state presence, is no longer a viable strategy. Similarly, the notion of stable societies coexisting with criminal organizations and their regional partners, as well as the denial or minimization of the territorial presence of international mafias, are no longer useful interpretive frameworks.

If we aim to provide democratic responses to the existential crisis facing our societies, we need new analytical and operational tools capable of grasping both the magnitude and the mutation of the phenomenon.

For this purpose, we define the current moment as a fourth wave of organized crime, characterized by the diversification of illicit economies and the emergence of new markets, unprecedented actors, and more flexible and sophisticated operational modalities. TCO—including extra-regional actors operating with renewed audacity—are responding to emerging opportunities as truly economically rational agents, quickly and effectively adapting to changes in illicit economies in all their forms. This adaptive capacity allows them not only to survive but to expand in contexts of weak state institutions and global deregulation (Farah, 2024).

We define the evolution of transnational organized crime in Latin America through four major waves:

— **First Wave:** Led by Pablo Escobar and the Medellín Cartel, pioneers of large-scale cocaine trafficking to the United States via Caribbean routes. This foundational stage laid the groundwork for high-volume drug trafficking, marked by extreme violence and an unprecedented capacity for institutional corruption.

— **Second Wave:** Dominated by the Cali Cartel, which implemented more sophisticated and less visible structures, diversifying trafficking routes through Central America and Mexico. This period marked the professionalization of the business and a more discreet—but equally powerful—logistical expansion, with Mexican criminal groups emerging as key operators and actors.

— **Third Wave:** Linked to the Bolivarian Revolution, during which forms of criminalized states emerged. Countries such as Venezuela, Bolivia, Ecuador, Nicaragua, and Cuba facilitated—directly

Fuente: Ibi Consultans.

or indirectly—the use of armed groups like the FARC, turning cocaine production and trafficking into instruments of state and geopolitical power.

— **Fourth Wave (current):** Characterized by the emergence and consolidation of extra-regional actors such as the Italian 'Ndrangheta, Albanian mafias, Turkish organizations, and other globalized groups. This phase not only involves trafficking synthetic drugs and the illicit exploitation of resources like gold, but also relies on alliances with authoritarian governments—whether left- or right-leaning—that exchange political protection for flows of illicit capital. It is a transnational, fluid, and pragmatic stage in which organized crime operates as a geoeconomic actor capable of influencing state decisions.

Two extraordinary factors have been decisive in the consolidation and rapid expansion of the components of this fourth wave of organized crime:

1. **The COVID-19 pandemic,** which forced states to withdraw from vast territories, neglect borders, and suspend numerous essential services in response to an unprecedented health emergency in the past century. In this vacuum, organized crime groups—both regional and international—continued their operations without interruption. State withdrawal for at least two years, combined with a slow and fragmented territorial recovery in the following years, left vast gaps for the expansion and consolidation of criminal networks at multiple levels.

2. **The forced migration of millions of Venezuelans,** the largest in the modern history of the continent, driven largely by the regime of Nicolás Maduro. This massive diaspora overwhelmed the capacities of host countries, particularly Colombia and Ecuador, but also Peru, Chile, and others farther afield. By the end of 2023, the United Nations estimated 7.7 million Venezuelan refugees and migrants worldwide, of whom 6.8 million were in Latin America (UNHCR, 2025). The need to provide a humanitarian response—in countries still recovering from the economic and social impacts of the pandemic—further weakened state capacities, especially in democracies attempting to respond with humanitarian solidarity. Criminal

organizations quickly exploited this fragility to expand, recruit, and diversify their activities.

These simultaneous crises—the pandemic and forced migration—created new spaces in which many elements of the fourth wave, already taking shape, were able to expand, consolidate, and seize unique opportunities arising from the absence or weakening of the state.

3. ¿What Has Changed?

While the first three waves of transnational organized crime represent relatively discrete stages, they share two fundamental characteristics: the trafficking of a dominant product—cocaine—to a primary market—the United States—and the return of illicit profits to the countries of origin, where they were partially or fully recycled and integrated into the formal economy.

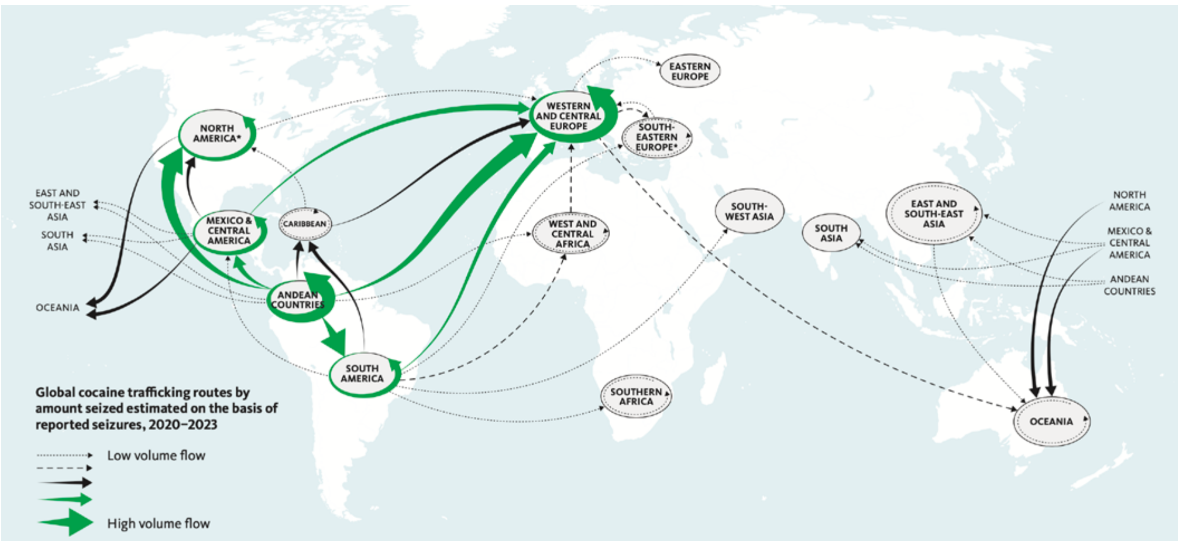
The fourth wave breaks this pattern. Among the most significant changes are:

— **The diversification of illicit products and markets,** in which activities such as illegal gold mining (particularly in Peru, Bolivia, and Ecuador) or the trafficking of chemical precursors for synthetic drugs from Asia, especially China, have gained a relevance that, in some cases, surpasses traditional drug trafficking.

— **The integration of extra-regional actors** such as the Italian 'Ndrangheta, Albanian mafias, and Turkish organizations, which no longer operate merely as logistical allies but as strategic partners embedded in the criminal dynamics of the hemisphere.

— **The restructuring of territorial disputes,** in which conflicts are no longer defined solely by control over routes or production zones, but by tactical and shifting alliances between TCO groups and local gangs. These fluid, opportunistic "polyamorous" alliances depend on what each actor can offer—protection, routes, weaponry, impunity—and are a key factor

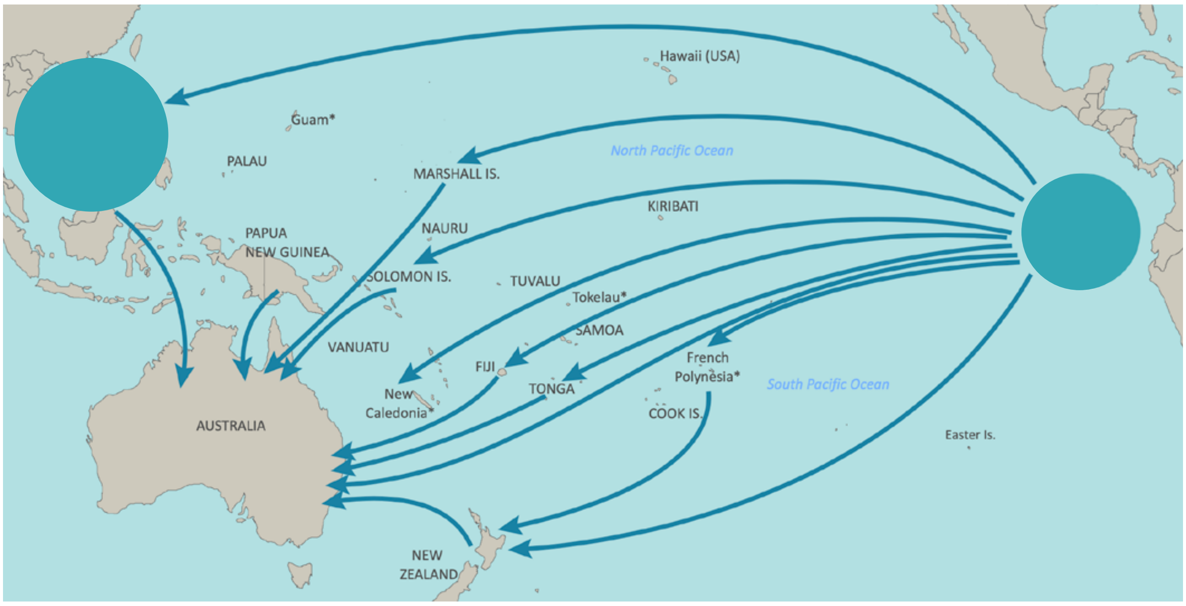
Main Cocaine Trafficking Flows as Reported in Seizures, 2020-2023



The boundaries and names shown, and the designations used on this map, do not imply official endorsement or acceptance by the United Nations. The size of each route is based on the total quantity seized along that route, according to trafficking route information provided by Member States in the annual report questionnaire, individual drug seizures, and other official documents during the 2020–2023 period. Routes are determined based on the reported country of origin/transit and destination in these sources. As such, they should be considered as broadly indicative of existing trafficking routes, while several secondary routes may not be reflected. The arrows indicate the direction of trafficking: the origins of the arrows represent the departure area or last known source, and the arrowheads indicate the consumption area or the next intended destination. Therefore, the point of origin may not correspond to the country of production of the substance.
* North America excluding Mexico; Southeastern Europe, including Turkey.

Source: UNODC

Cocaine Trafficking Route in the Pacific



*Non-self-governing territory. The flow arrows indicate the general direction of trafficking and do not correspond to precise sources of production or manufacture; they are not actual routes and are not weighted by importance or scale. The boundaries, names, and designations used do not imply official endorsement or acceptance by the United Nations.

Source: UNODC

behind the dramatic increase in violence in several countries in the region.

— The restructuring of territorial disputes, in which conflicts are no longer defined solely by control over routes or production zones, but by tactical and shifting alliances between TCO groups and local gangs. These fluid, opportunistic "polyamorous" alliances depend on what each actor can offer — protection, routes, weaponry, impunity—and are a key factor behind the dramatic increase in violence in several countries in the region.

A key factor in the current adjustment of criminal markets is understanding that they operate according to a rational logic of supply and demand. The notable decline in cocaine consumption in the United States—more than 25% over the past decade, according to several studies—[1] largely replaced by synthetic drugs, has forced traditional Mexican and Colombian cartels to redirect their strategies. In alliance with extra-regional actors, these groups have turned their attention to more lucrative emerging markets, such as Europe, the countries of the former Soviet Union, and especially Oceania.

At the same time, there has been a significant increase in cocaine consumption in the Southern Cone of Latin America, creating new internal markets in countries such as Argentina, Chile, and Uruguay. While these markets offer lower profit margins, they also entail lower risks and reduced logistical costs, making them attractive areas for the establishment and expansion of criminal networks. It is not only operational sophistication and the diversification of markets, products, and routes that define this fourth wave; the increasing convergence between criminal and state actors is also a defining feature. This convergence manifests through schemes of systemic corruption, violent coercion, or the creation of mutually profitable opportunities.

In this new context, power structures—local, national, and regional—begin to link with extra-regional transnational networks, blurring the lines between legal and illegal activity and alarmingly redefining the very nature of political and economic power in the region.

1 Various studies show a change ranging from 20% to 40%. See Schneider et al. (2019) and Better Life (2024).

The fourth wave is not defined solely by violence, although this remains a recurring feature, particularly during disputes over strategic territories between local groups aligned with the TCO. However, its deepest threat does not lie merely in the lethality of its weapons, but in its ability to establish parallel governance systems, exercise territorial control, penetrate institutions, and assume functions typically reserved for the State.

This strategy—often facilitated by the active or passive complicity of political networks within the State apparatus itself—has a doubly corrosive effect: **on one hand, it delegitimizes the State by highlighting its inability to effectively confront transnational crime; on the other, it legitimizes criminal groups, which manage to position themselves as alternative providers of security, employment, and even rudimentary forms of justice, often with greater efficiency and presence than the State itself.** Put simply, this is a form of power that operates from the margins but directly influences the core of political, economic, and social life in our countries.

4. Crisis of State Legitimacy

The causes of this crisis of state legitimacy in the face of groups with criminal governance capacity are multiple and complex, and they have deepened in the period following the pandemic.

As Chilean scholar Lucía Dammert warns, a central factor is:

> [...] the presence of an ambivalent State, that is, a State that exists, but whose presence does not necessarily translate into the capacity for action, agency, or a genuine commitment to upholding the law and protecting citizens. In this scenario, the State is present, but its presence manifests in a fragmented manner and with varying degrees of effectiveness. (Dammert, 2025)

One of the most widespread impacts of such an ambivalent State—incapable of addressing challenges ranging from common crime to transnational organized crime—is the growing sense of fear and distrust among citizens toward government, as they perceive the State has failed to fulfill its most basic function: guaranteeing security.

This fear carries profound consequences. It leads to the abandonment of public spaces, the retreat of community life, and an accelerated erosion of institutional trust—particularly in the police, who promise control but rarely deliver tangible results. As Lucía Dammert further notes:

> These unfulfilled promises erode the very pillars of political participation, the legitimacy of representatives, and, of course, the credibility of political parties. Finally, the desperation of political parties and representatives to produce quick results and visible demonstrations of action against insecurity and violence often generates rushed strategies, which are frequently ineffective. Yet we know it is impossible to achieve effective outcomes without structural investments in the factors that shape criminal careers, as well as in improving the performance of the State's core institutions. (Dammert, 2025)

5.New Forms of Organized Crime

Years of institutional fragility, abuse, corruption, and the incapacity of large sectors of formal power **have left certain areas in Latin America with sizable populations where citizens prefer to live alongside criminal organizations rather than the State.** Fieldwork conducted in Honduras, Peru, Paraguay, Argentina, Chile, Ecuador, and Costa Rica shows that in these territories, residents view criminal gangs as the lesser evil—a pragmatic, and sometimes more effective, means of securing their daily survival.

In parts of Honduras, for example, it is common to hear residents refer to the Mara Salvatrucha

(MS-13)—one of the most violent gangs in the hemisphere—as “the good gang”. The same phenomenon is observed in areas under the control of the Primeiro Comando da Capital (PCC) in Brazil and Paraguay, in zones dominated by Los Lobos in Ecuador, and in other enclaves where criminal organizations have replaced the State as the primary reference point for order and protection.

There are areas in Latin America with sizable populations where citizens prefer to live alongside criminal organizations rather than the State. This apparent paradox is often explained by the sustained presence of criminal groups in contrast to the absence or neglect of the State. Gangs impose rules, resolve conflicts—albeit through rudimentary and often violent justice—and provide a form of protection in exchange for “war taxes” or “the rent,” collected directly from local communities (Farah & Richardson, 2022).

In some contexts, this protection even includes defense against other criminal groups or against the police itself, which is perceived as an equal or greater threat. This has become a common and increasingly visible factor along border areas, which in practice have become a “third country” within two nations.

There are areas in Latin America with sizable populations where citizens prefer to live alongside criminal organizations rather than the State.

In this criminal landscape, different levels of crime converge, connected by a common factor: illicit economies. These are defined as systems for producing and exchanging goods and services outside the law, as well as the coercive or forced appropriation of legally generated assets and resources. Illicit economies are maintained by criminal organizations that, through their long-term presence and internal division of roles, generate significant resources from their growth, exploitation, and consolidation.
Unlike traditional drug cartels—which operated along defined routes focused on a single commodity, such as cocaine—**new forms of organized crime are built around controlling territory, dominating key infrastructure, and**

Source: Ibi Consultants

extracting multiple revenue streams from the areas they control. These revenues come from various illegal activities, such as cigarette smuggling, prostitution, kidnapping, extortion, small-scale drug trafficking, and, of course, transnational narcotics trade.

This territorial logic generates persistent and often brutal violence, arising from disputes between gangs over control of strategically profitable zones or markets. In most cases studied, violence tends to decline over time—not as a result of effective public policy, but because one group succeeds in asserting dominance over the others, consolidating local hegemony. It is the victor's peace, not the success of State policies.

These illegal economies drive the growth, expansion, and diversification of criminal activities, while encouraging the search for new markets and emerging territories. This includes expanding operations and forming fragile alliances, which, though initially useful, often lead to violent clashes. The process allows established Latin American criminal networks to connect with local groups, while also linking them to international criminal consortia that act as informal regulators of the illicit market.

In pursuit of their objectives, criminal organizations resort to violence against communities, widespread extortion, and the corruption of public officials and private actors, often exploiting the environment and violating human rights—all within a framework of territorial control or dominance over strategic facilities.

6. Erratic Responses from the Political System

One of the most concerning effects of the erratic—and often desperate—responses by political parties and their representatives, driven by the urge to show quick results and visible action against insecurity, has been the deepening of the longstanding prison crisis in Latin America.

New forms of organized crime are built around controlling territory, dominating key infrastructure, and extracting multiple revenue streams from the areas they control.

The pressure to impose harsher sentences, increase arrests, and demonstrate a tough-on-crime stance has further overwhelmed already collapsed penitentiary systems, turning prisons into hubs for organized crime operations rather than spaces for rehabilitation or effective control.

Long before the construction of La Catedral, the infamous luxury prison where Pablo Escobar was held in the 1990s, inmates with financial resources have systematically enjoyed privileges within the penitentiary system: access to visits from sex workers, extended family benefits, illegal use of cell phones, special meals, and other goods prohibited or restricted for the general prison population.

In contrast, **prisons intended for inmates without economic means face a chronic structural crisis: extreme overcrowding, institutional neglect, lack of attention to basic needs, years—sometimes decades—of delays in processing cases, and a very high proportion of people deprived of liberty without a final sentence.** This combination of inequality and systemic collapse has turned prisons into spaces where crime reproduces itself, with many criminal structures strengthening and reorganizing rather than being dismantled.

This multifaceted reality has transformed many prisons into de facto headquarters of organized crime: centers of command, control, and operational coordination for TCOs, gang leaders, and local criminal networks. Far from neutralizing the power of these organizations, the penitentiary system has become a strategic space from which extortion, murder, drug trafficking, and territorial disputes are planned. At the same time, it has reinforced its historical role as a school of crime, where those entering for minor offenses end up recruited, indoctrinated, or subordinated to more complex criminal structures. **Rather than being spaces for containment and rehabilitation, many prisons today function as platforms for the expansion and consolidation of organized crime.**

This reality takes on an especially dramatic dimension when we consider that, over the past three decades, some of the most dangerous criminal structures with the greatest capacity for real impact have emerged precisely from within prisons. Emblematic examples of this dynamic include Tren de Aragua in Venezuela, Mara Salvatrucha (MS-13) in Central America, Primeiro Comando da Capital (PCC) and Comando Vermelho in Brazil, as well as Los Choneros and Los Lobos in Ecuador, among others.

Despite the weight of this evidence, no country in the region seems to have learned the lesson.

On the contrary, most have doubled down on a policy of mass and reactive incarceration, without a comprehensive or sustained strategy to confront the consolidation of organized crime within penitentiary systems. The result has been a spiral in which **imprisonment, without proper prison governance, only strengthens criminal organizations, turning prisons into parallel centers of power.**

7. Prison Governance in Dispute

These criminal groups have evolved within prisons to become an existential threat to countries and even at a hemispheric level, finding in the weakness and corruption of penitentiary systems fertile ground for their continuity, growth, and expansion both locally and internationally. The internal control of prison facilities by criminal groups has often turned prisons into the operational headquarters of these organizations.

This phenomenon can be defined as prison criminal governance (PCG) or extralegal governance. It refers to the delegation or appropriation of control and regulation of prison life by internal criminal actors, who establish rules, allocate resources, and exercise power within penitentiaries—often in the absence or insufficiency of state control—undermining national security strategies. This is particularly widespread in Latin American prison systems.

PCG is directly proportional to, or dependent on, the quality of official governance: **when authorities fail to govern prison facilities, the inmates take over.**

Given the need for extralegal governance, its form depends on the size of the prison population and can be either decentralized (i.e., among individuals or small, multiple groups) or centralized (i.e., in larger gangs or organized groups).

In prisons with small, relatively homogeneous populations, inmates establish PCG through decentralized mechanisms. In facilities with larger and potentially more diverse populations, inmates tend to create centralized institutions. Centralized PCG relies on systems of communal responsibility, which only function when decentralized mechanisms fail, and require inmates to have the information and incentives necessary to establish them. These centralized bodies facilitate economic and social interactions.

The power of controlling criminal organizations deepens when they manage to dominate rival groups within the prison, control illicit markets such as prostitution and mobile phones (or the means to record them), and secure the authority to reward or punish other inmates.

When this occurs, the PCG of a criminal organization becomes consolidated. Centralized extralegal governance exercised by gangs can spread throughout the prison system when their leaders have easy communication between facilities or are transferred from one prison to another. This has been documented in the cases of the PCC, MS-13, and Tren de Aragua.
Finally, when security policies increase the likelihood of imprisonment and the severity of penalties

for potential offenders—especially for those not already part of a criminal organization controlling one or more prisons—their willingness to join such organizations rises. This is largely due to massive overcrowding and the inhumane conditions in which most prison populations are held. The need to survive under these circumstances, coupled with gang dominance, transforms penitentiary centers into engines that drive illicit markets, such as drug trafficking and the trade of regulated or prohibited goods and substances.

Extortion of non-affiliated inmates or their families becomes widespread, with demands for payments in exchange for protection or basic services such as food, water, or a place to sleep. This creates illegal pressure that often leads to the forced recruitment of prisoners and even public officials, as well as corruption, human rights violations, domination, and the consolidation of power in spaces that, in theory, should be under state control.

8. Exocriminality of Risk Emergence (ECR)[2]

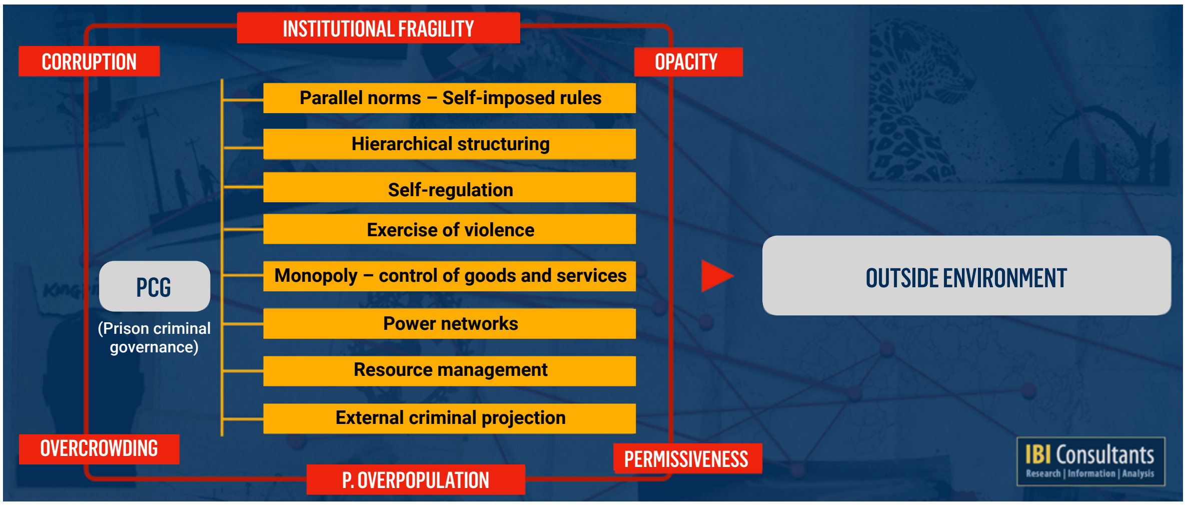
Within the context of the transformation of global organized crime, a particularly dangerous and poorly understood variant has emerged:

2. Concept adapted from Zeballos and Farah (2025a).

The internal control of prison facilities by criminal groups has often turned prisons into the operational headquarters of these organizations.

Exocriminality of Risk (ECR). Unlike classic transnational criminal organizations, ECR represents a phenomenon that requires its own conceptual tools for analysis—especially at a time when there is a concerning trend, across state, academic, and journalistic spheres, to indiscriminately label all complex criminal activity as TCO, without distinguishing between organized, disorganized, or contingent structures. This lack of conceptual differentiation prevents accurate diagnoses and, consequently, effective strategies.

ECR is defined as the outcome of an unplanned process of criminal transnationalization, driven by exogenous factors of social, environmental, or opportunistic nature. Unlike strategic transnational criminal organizations (TCO), ECR does not result from a deliberate decision by a criminal leadership in the country of origin, but rather from external dynamics that push criminal organizations to establish themselves



Source: Ibi Consultants

in new territories—typically in contexts of weak state presence, massive migratory flows, or governance vacuums.

From this perspective, we propose an analytical distinction between two models of transnational criminal expansion:

— **Strategic Transnational Criminal Organizations (TCO):** These are structures characterized by deliberate, hierarchical planning with a vision for both domestic and international expansion. They possess high logistical and financial capacity, originate in a specific territory, and extend their operations in a controlled manner. Notable examples include the Primeiro Comando da Capital (PCC), Italian mafias such as the 'Ndrangheta, and Chinese triads.

— **Exocriminality of Risk (ECR):** This model emerges from external conditions that drive the unplanned expansion of criminal groups. ECR does not follow a strategic conquest logic but is instead a forced adaptation to phenomena such as migratory waves, mass expulsions, or social crises. Notable examples include:

+ **Tren de Aragua:** Expanded by exploiting Venezuelan migration routes, recruiting new members in destination countries, and transferring criminal practices from its place of origin.

+ **Los Trinitarios (Dominican Republic):** Their structure grew in cohesion and violence when establishing themselves in countries like Chile, where they replicated—and in some cases radicalized—their operational methods (Zeballos & Farah, 2025b).

+ **Central American maras, particularly MS-13 and Barrio 18:** Exported from the United States during mass deportations in the 1980s, they found fertile ground for consolidation in El Salvador, Honduras, and Guatemala.

Traditional transnational criminal organizations (TCO) expand through deliberate strategic planning of markets and territories by criminal leadership, carefully assessing opportunities, risks, supply chains, force projection, and more. In contrast, ECR emerges as a consequence of external pressures, such as migration crises, structural violence, or institutional collapse. ECR does not respond to executive decisions imposed by a central leadership to relocate; rather, it is driven by forced displacement and criminal opportunism, shaped by changing conditions on the ground.

In this context, ECR is **characterized by high adaptability, hybridization with local structures, absence of rigid hierarchies, extreme use of symbolic and semiotic violence, and the ability to quickly appropriate state vacuums in territorial control.** Cases such as Los Lobos and Los Choneros in Ecuador, the Tren de Aragua in Venezuela, or groups like Los Trinitarios and Los Espartanos in the Dominican Republic strongly illustrate how certain criminal organizations can rapidly evolve—from forced displacement from their original territories to increasingly sophisticated forms of criminal governance in new geographic contexts.

Far from dissipating during transit, these structures manage to adapt, recruit, consolidate, and even exert control over territories in host countries, replicating and reconfiguring their practices, networks, and power structures. Their expansion demonstrates that we are no longer dealing with merely local criminal organizations, but with mobile, transnational entities capable of establishing themselves, operating, and governing in diverse realities—weakening state frameworks and accelerating the region's institutional legitimacy crisis.

Nearly all ECR groups move alongside the diasporas of their countries of origin, arriving in destination states through irregular and uncontrolled migration flows. While they represent only a small minority within these massive waves, criminal elements exist within the human flow and exploit land seizures in precarious, underserved areas to avoid detection and displacement. These groups quickly take control of key sectors within their new communities—demanding rent from families, occupying abandoned buildings, extorting those who manage to generate some income, and enforcing territorial control over access to their zones.

Those who resist are often murdered in extremely violent and visible ways, ensuring that the message of terror spreads throughout the community. Frequently, ECR groups—working in coordination with allies in their country of origin—have identified the relatives of migrants back home and use this information to exert pressure and issue threats against the community. Given their precarious legal status, members of these communities, in most cases, do not turn to the police to file complaints or request protection. And if they do, the response is often directed against the complainant.

9. Characteristics of Exocriminality of Risk ECR structures are defined by the following elements:

1. **Absence of Initial Planning:** Unlike traditional criminal organizations such as the PCC, the Italian mafias, or the Chinese triads, these groups do not expand internationally through a strategic decision by their leadership, but rather through forced adaptation.

2. **External Driving Factors:** Their transnationalization is propelled by external social phenomena such as mass migrations or deportations, as seen in the cases of the Tren de Aragua or the Central American maras.

3. **Semiotic and Irrational Violence:** They employ terror and the display of extreme violence as mechanisms of territorial control and criminal branding. Symbols, the development of gang culture, and the use of social media to showcase and reinforce this criminal identity play a central role.

4. **Adaptability and Local Recruitment:** These groups are forced to adapt rapidly to new environments, often resulting in volatile and potentially more violent strategies. While they initially operate with their own members, they quickly incorporate or absorb local actors in the countries where they settle, generating criminal hybridization.

5. Related to the previous point, this form of criminality can be understood as a **Semi-Open Social System.** Due to their looser structures and the autonomy granted to their different branches and factions, they develop feedback loops with the host country's local criminality. This dynamic shapes their criminal culture and operational methods, while fostering processes of professionalization, alliances, internal rivalries, and greater access to resources and operational capacity.

6. **Transformation of the Criminal Ecosystem and Impact on Prison Systems:** Their arrival can disrupt local criminal balances and destabilize the already fragile equilibriums within prisons in host countries, producing phenomena of fragmentation and criminal mutation.

7. **Opportunistic Expansion:** They advance and consolidate in areas where state institutions and/or local criminal groups leave gaps of control, taking advantage of weaknesses in local security, justice, prison, and crime systems.

8. **Potential for Long-Term Instability:** Police crackdowns and state pressure do not necessarily eliminate these organizations; instead, they often foster greater atomization, leading to new outbreaks of violence and the emergence of even more unpredictable criminal structures.

From a sociological perspective, ECR reflects the interconnection between criminal activity and macro-social processes such as globalization, migration crises, and deficiencies in state governance.

It shows that organized crime is shaped not only by internal decisions but also by external conditions that influence it and project it beyond its original borders.

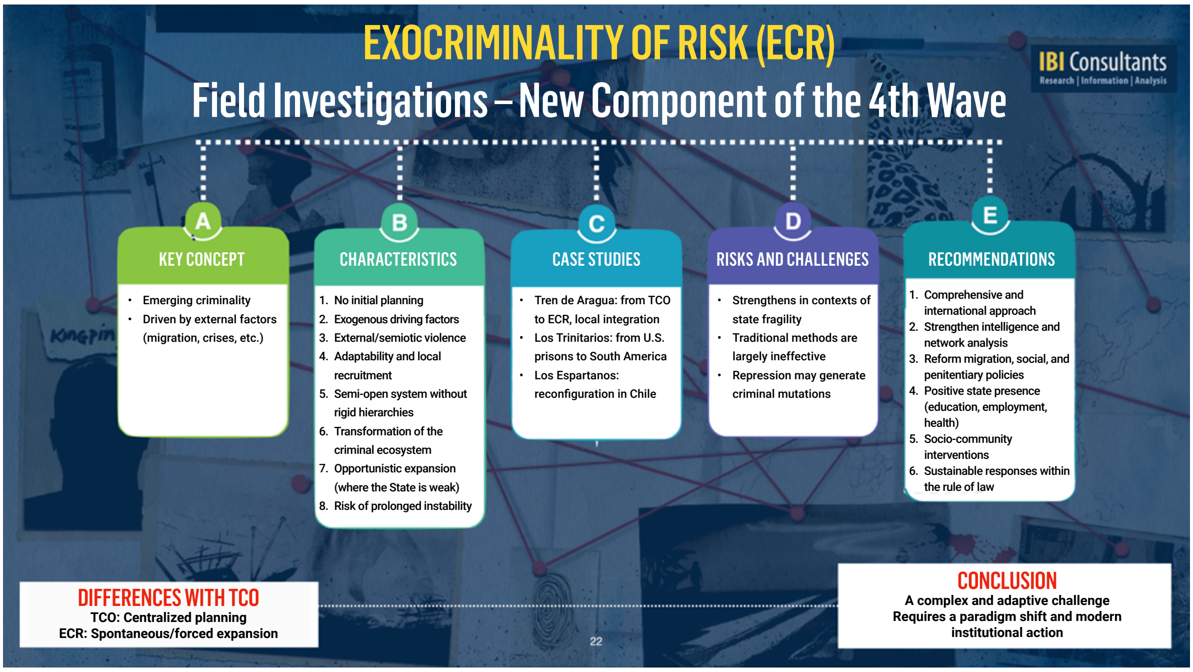
Its impact is magnified in fragile prison systems and in communities lacking effective state presence, becoming a factor of instability, criminal governance, and long-term violence.

10. A Regional Metamorphosis with Structural Roots

The mutation of organized crime in Latin America cannot be understood without addressing the structural conditions that enable and sustain it: **states with weak or captured institutions, persistent social inequalities, overburdened judicial systems often corroded by corruption, and a profound disconnect between public policies and the real needs of citizens.** In this context, factors such as social exclusion, youth unemployment, structural informality, and the lack of opportunities act as catalysts that feed the ranks of organized crime, while democratic institutions find themselves trapped in an escalating spiral of delegitimization and fragility.

In many countries, the state's response has been erratic, reactive, and fragmented. High-profile arrests, militarization without strategy, "iron-fist" policies, and warlike rhetoric against the so-called internal enemy—a discursive legacy of the Cold War—have systematically failed to dismantle criminal networks. Rather than solutions, these responses have functioned as instruments of authoritarian consolidation, eroding citizens' rights, exploiting fear as a mechanism of governance, and further weakening the institutional fabric.

Far from weakening organized crime, such approaches have instead reinforced its capacity for adaptation, mutation, and survival. They have allowed criminal organizations to refine



Source: Ibi Consultants

their corruptive power, render their operations invisible, diversify their illicit economies, and project themselves beyond national borders—shaping a threat that is, at once, transnational, dynamic, and deeply rooted in the region's structural failures.

11. The Fallacy of Punitive Populism and the Allure of Authoritarianism

Faced with fear, politics often succumbs to the temptation of punitive populism: quick promises of order, harsher penalties, states of emergency normalized, and the progressive restriction of constitutional guarantees. This narrative constructs an absolute enemy—diffuse yet omnipresent—before which anything is justified. In this context, organized crime not only strengthens itself through the state's structural weakness but also through the state's voluntary abdication of power within democratic frameworks.

This is fertile ground for a tacit alliance between crime, populism, and authoritarianism. It is a deeply dangerous triangle that corrodes democracy from within, delegitimizes representative institutions, and creates space for new forms of informal, violent, and clientelistic governance. In this transition, many societies move—almost imperceptibly—from the promise of security to the real risk of a de facto dictatorship, managed not by the rule of law but by criminal structures or their allies within political power.

12. Security, Democracy, and Human Rights: A Necessary Alliance

It is a mistake to think of security and democracy as opposing values. On the contrary, public security must be a fundamental guarantee of any democracy, and it can only be sustained if anchored in unwavering respect for the rule of law, human rights, and institutional legality. Organized crime, by contrast, represents the exact opposite: the negation of law, the destruction of rights, and the violent replacement of political and social order.

Factors such as social exclusion, youth unemployment, structural informality, and the lack of opportunities act as catalysts that feed the ranks of organized crime.

For this reason, we need a new political and technical architecture that transcends cycles of improvisation, institutional fragmentation, and partisan capture of the security agenda. Strategic leadership is required, along with continuity in public policies beyond changes in government, and a comprehensive vision that combines criminal intelligence, social development, and the construction of institutional legitimacy at the territorial level.

13. Governments That Devour the State

One of the most worrying features of this stage is the progressive absorption of the state by incumbent governments, which subordinate institutional structures to their immediate interests, severely weakening the state's capacity to act coherently, preventively, and consistently in the face of complex phenomena such as organized crime.

In several of the cases mentioned, we observe highly criminalized governments that, far from combating TCO and local criminal structures, choose to turn them into functional partners to secure their own economic or political survival. This model goes beyond traditional corruption—where specific actors within the state are co-

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opted—to give rise to structural alliances between the state and organized crime, in which both parties benefit and shield each other. It is a form of illegitimate, yet effective, co-governance.

In this context, political polarization and institutional instability exacerbate the problem even further. Administrative changes every four or five years, and legislative changes every two, often entail a complete restructuring of the state apparatus, dismantling technical teams, appointing inexperienced officials, and breaking the continuity of long-term public policies. The result is a fragmented and paralyzed state, with a weakened bureaucracy, fragile institutions, and a citizenry increasingly disconnected and disillusioned.

In organized crime, the core of power is not the individuals themselves but the systems of corruption that feed every sector: money laundering, territorial control, networks of political complicity, prison governance, or social legitimacy earned on the margins.

In that void, the most vulnerable communities are left exposed to organized crime, which does offer—albeit violently and destructively—continuity, structure, and a narrative of belonging. Crime does not need to win elections; it is enough that the state abdicates its role in governance and ceases to exercise authority with legitimacy. Wherever power withdraws, another form of power takes its place.

14. Judo, Clausewitz, and the Centers of Gravity of Organized Crime

As in judo, where the basic principle is to unbalance an opponent by attacking their center of gravity without losing your own, the strategy against organized crime must begin with a deep understanding of its structural pillars. The thinking of Clausewitz, who coined the military concept of the center of gravity, is also useful: in any conflict, it is essential to identify the core that sustains the adversary's power. **In organized crime, that core is not the individuals themselves but the systems of corruption that feed every sector: money laundering, territorial control, networks of political complicity, prison governance, or social legitimacy earned on the margins.**

Disrupting these critical points is the real task. Rather than focusing on individual figures, we must target the systems that allow those

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figures to reproduce themselves. Striking the center of gravity—such as the financial system that sustains them or the social control they exert—produces a real weakening effect. Otherwise, we will continue to see new leaders replacing the old without altering the deeper functioning of the organizations.

If we apply this idea to analyze the often-disappointing results in the fight against organized crime, it may surprise us to realize that high-profile arrests, extradition requests, blows to leaders, and displays of seized assets—though widely covered in the media—are victories, but only temporary, as the problem persists.

Criminal organizations learn, adapt, hide, replace their leaders, regain control, and almost certainly strengthen from within prison. This cycle of strike, resistance, and growth observed in the fight against organized crime originates in an operational approach focused on specific individuals, which, rather than dismantling the existential core of these organizations, concentrates only on their personnel, who may even be strengthened by the exposure they receive.

If judo and military strategy apply the same principle of the center of gravity, it may be a good idea to adapt this concept to the context of organized crime systematically affecting the region. It is time to attempt a paradigm shift, and we have a unique opportunity based on international cooperation and the rule of law.

With a shared diagnosis and the collection of evidence through fieldwork analysis and intelligence, there will undoubtedly be greater strategic precision regarding the criminal networks that are reshaping the understanding of regional security and the potential local networks undergoing transformation. The structures of organized crime and delinquency are diffuse and operate in a more decentralized and adaptable manner than a conventional army, as Von Clausewitz would explain.

Rather than focusing on individual figures, we must target the systems that allow those figures to reproduce themselves.

For this reason, the center of gravity likely does not lie in the structure itself, but in its essence, in its objective, in that which allows it to endure over time, beyond the methods it employs. Indeed, for organized crime, centers of gravity can take multiple forms: the financial system that launders their resources, the logistical routes that move their illicit products, the political connections that provide protection, police or judicial corruption, the territorial control they enforce through violence, prison-based criminal governance that allows them to grow under the state's protection, or the early recruitment of children and adolescents that ensures their continuity over time.

Without these or other elements, organized crime structures cannot operate or expand; therefore, if we truly want to weaken them, we must focus our efforts on understanding these key structural points. The challenge, then, is how to coordinate all state apparatus efforts to identify these specific centers within particular structures, which are not identical but rather more volatile and diffuse. The critical center of gravity of the Tren de Aragua differs from that of Los Lobos in Ecuador, the PCC in Brazil, or the Mara Salvatrucha in Central America.

This misdirected focus is our true Achilles' heel. We need to direct our energy toward dismantling the real centers of gravity, which requires far more than isolated judicial actions or cherry-picking penal measures.

Moreover, it is essential and existential to establish clear and specific metrics to evaluate the impact of these efforts, monitoring the reduction of the organizations' operational capacity and their structural weakening—not only on the streets but also within prisons. Only in this way can we objectively measure the success of our actions.

To effectively confront organized crime, police forces must have the best criminal analysis tools, capable of mapping and understanding each organization's centers of gravity. Due to histories of caudillos and dictators, alongside the constant abuse of state agencies for spying on political opponents rather than serving national security, **few countries possess professional intelligence services suitable for the current moment.** The historical reluctance to create internal intelligence services in countries affected by past abuses is natural and rational. Yet, in the face of an existential threat to the nation, it is urgent to rethink intelligence within institutional norms and with appropriate controls to address the new reality.

There have been notable successes in creating unified state intelligence structures to combat both organized crime and guerrilla groups, as in Colombia (2008–2018), when the FARC guerrilla was successfully confronted and major organized crime groups were dismantled. However, the model became corrupted over time. Without sound and effective intelligence, the state will fail to confront existing threats.

In addition to traditional state intelligence, there are now many tools that could allow states, using creativity and specialized knowledge, to open new frontiers of understanding: artificial intelligence, big data analysis, and access to advanced computing resources can identify patterns, flows, and networks, providing a detailed view of how organizations operate and where their true power lies. Furthermore, police forces need autonomy to conduct strategic and proactive investigations beyond mere penal action, because we cannot wait for the problem to spiral out of control before intervening.

The solution is not to give up basic rights to gain security, [...] but rather to build security in order to protect rights.

15. A Democratic Way Out of the Criminal Labyrinth

Latin America cannot continue trapped between criminal violence and the allure of authoritarianism, as is currently fashionable in many places, based on the idea of mega-prisons, mass detentions without evidence or proof, mass trials without the right to defense, and censorship of independent media. **The solution is not to give up basic rights to gain security, as the authoritarian model—built on the ideology of confronting an internal enemy—proposes, but rather to build security in order to protect rights.**

This is the difference that determines whether the path leads to consolidated and durable institutions or to a growing authoritarianism, increasingly tied to personalism and TCO, and unsustainable over time. Escaping the authoritarian trap requires democratizing security, making information transparent, empowering communities, reclaiming territories through inclusion, and re-engaging citizens with a state that functions, protects, and is accountable.

Given the centrality of penitentiary spaces in our research, and the spaces within them that provide security for leaders of criminal groups, we believe one of the most urgent steps in articulating a coherent response to TCO's crime is to reform not only prisons but the entire penitentiary system in nearly every country.

New ministries or symbolic laws are not enough. What is needed is a state strategy,

with a regional focus and supranational coordination. One of the most important limiting factors in developing such a state strategy is the lack of minimal consensus among political parties and between parties and civil society. This prevents the programs of any given administration from being transversal and long-lasting; each new administration immediately begins dismantling the policies of its predecessor.
For this reason, we believe in the urgent need—already underway in Chile and Uruguay— to pursue strategic consensus policies that would allow the creation of a sustainable national state policy, regardless of which party is in power; not a partisan policy destined to fail. This is not an easy task, but it is possible, as demonstrated in Chile with the Security Expert Advisory Panel, which brings together representatives from all political tendencies to develop the necessary proposals.

Organized crime operates without borders: our responses cannot remain local or disconnected at the national and regional levels. Judicial cooperation, intelligence sharing, institutional shielding, and the harmonization of regulatory frameworks are essential wherever possible. Yet we also recognize that some countries are highly criminalized and corrupt, where cooperation is neither feasible nor beneficial, as information is quickly leaked to organized crime groups and local gangs. It is crucial to strengthen possible alliances, create spaces for mutual trust, and weave formal and informal networks for this fight.

With the withdrawal of U.S. support under the Trump administration—from intelligence, training, and resources directed to Latin America—it is also important to be realistic and seek new regional and extra-regional partners, and to rethink how resources are shared to advance this struggle. The absence of the United States leaves a significant gap, but it also creates an opportunity to rethink security in the region and the real priorities of each country. European Union countries with extensive experience in combating mafias and prison security (Italy, Germany, among others), and the United Kingdom, which is a direct target of fourth-wave organized crime forces, have both the capacity and the willingness to expand cooperation. With emerging TCO actors and markets in Europe, creating new alliances today is not only necessary but also opens the door to cooperation better suited to the region's needs.

This would represent another model of cooperation: with fewer financial resources, but the potential to forge more equitable alliances and broaden the traditional U.S. focus from combating drug trafficking to addressing illicit economies in a multidimensional, comprehensive, and institutional manner.

16. The Time is Now

The fourth wave of organized crime does not merely represent a criminal challenge: **it is a civilizational challenge in which the very survival of representative democracy and the institutions tasked with protecting citizens' fundamental rights is at stake.** Ensuring security cannot be limited to an exclusively punitive logic; it must be built on a comprehensive system of prevention, investigation, and sanction that recognizes that the roots of this crisis are structural: persistent inequality, social exclusion, impunity, and corruption that, for decades, has eroded the pillars of the State. In this context, strategic intelligence—understood as the State's anticipatory, analytical, and ethical capacity—should be conceived not only as a security tool but

The fourth wave of organized crime […] is a civilizational challenge in which the very survival of representative democracy is at stake.

as a functional factor for systemic change.

These phenomena do not emerge in a vacuum. They arise in the context of weakened States and vulnerable societies, where institutional legitimacy has been eroded to the point of opening spaces for parallel—and illegitimate—forms of power. Democratic resilience cannot be sustained without addressing these systemic failures at their root.
In the face of the fourth wave, it is imperative to redefine our priorities, forge strong alliances with democratic actors both within and outside the region, and take on the urgent task of rethinking, cleansing, and strengthening the State. **This entails combating corruption relentlessly, defending democratic institutions without ambiguity, and guaranteeing a framework of justice and dignity for all.**

Because if organized crime today represents an existential threat to our societies, the response cannot be less than a renewed promise of the State: to be capable of protecting, caring for, and representing its citizens. Failing to do so, and if the current trend persists—where organized crime seeks to infiltrate and shape public policies to serve its interests—the fifth wave will not only be more violent: it will mark the stage in which crime fully captures the State, and democracy as we know it could become irretrievable through democratic participation.●

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