

> For city governments...enforcement can reduce certain forms of street crime while increasing incentives for criminal groups to embed themselves deeper in local life, especially around drug markets that cannot easily relocate. This risk must inform the design of policing strategies and public service interventions.

Vancouver, British Columbia. Canada. September, 2018. Photo: Adobe Stock

CHAPTER 2

ORGANIZED CRIME AS URBAN GOVERNANCE

HOW CRIMINAL GROUPS RULE CITIES AND WHAT LOCAL GOVERNMENTS CAN DO

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Across Latin America, sub-Saharan Africa, South and Southeast Asia, and parts of southern Europe, armed criminal groups govern neighborhoods. They settle disputes, enforce rules, collect taxes, and provide security—often alongside the state. These governance functions sustain criminal profits, embed armed actors in daily life, and complicate policy responses. Global geopolitical shifts intensify the challenge. Fragmented international drug-control cooperation sustains trafficking rents. Rapid advances in digital technology lower the cost of coordination for states and criminal organizations. A renewed enthusiasm for punitive *mano dura* (tough on crime) approaches often fragments criminal markets, increases violence, and fails to displace criminal governance. Climate-related migration and displacement generate new recruitment pools and destabilize informal settlements where criminal groups operate. This chapter explains how organized crime functions as urban governance, traces how city policies and informal bargains have shaped current equilibria in Medellín, Colombia, and other cities, and offers practical guidance for local governments facing similar dynamics.

Context: The Governance Problem

City governments across the world confront armed criminal groups that provide rule-like services. These groups regulate markets, punish theft, settle disputes, and enforce behavioral codes. They also extort residents and businesses, recruit youth, and control territory through threats and selective violence. This combination of coercion and service provision turns organized crime into a system of urban governance rather than a narrow public safety problem (Gambetta, 1993; Skaperdas, 2001; Lessing, 2021).

The pattern appears in diverse settings. In Medellín, over 350 neighborhood gangs known as combos govern microterritories, collecting extortive "security fees" (*vacunas*) and controlling drug retail markets (Blattman et al., 2025). In Rio de Janeiro, criminal groups such as Comando Vermelho and *milícias* (militias) regulate access, commerce, and political participation inside *favelas* (Arias, 2006, 2017; Magaloni et al., 2020). In San Salvador, the MS-13 and Barrio 18 controlled entire neighborhoods, taxing transport operators and merchants while restricting residents' mobility (Cruz, 2010; Melnikov et al., 2025). In Mexican cities such as Ciudad Juárez, Tijuana, and Culiacán, cartels regulate territory, labor markets, and local commerce (Dell, 2015; Durán-Martínez, 2018). In Cape Town, South Africa, gang networks govern informal settlements and control economic access in areas the state reaches only intermittently (Lambrechts, 2012). In southern Italy, the Camorra and 'Ndrangheta continue to govern segments of urban economic life through extortion, dispute resolution, and political influence (Gambetta, 1993; Alesina et al., 2019). The transnational expansion of organized crime groups into new territories further diffuses these governance patterns (Varese, 2011). Criminal governance, in short, is a global urban phenomenon.

Defining Organized Crime as Governance

Urban organized crime combines three features. First, it controls territory. Groups use credible threats to regulate who can sell drugs, operate businesses, move goods, and enter or remain in a neighborhood. Second, it extracts revenue. Extortion and illicit market profits fund personnel, weapons, bribes, and social benefits for members and their families. Extortion often operates as informal taxation, with regular payment schedules and enforcement procedures (Gambetta, 1993; Moncada, 2022). Third, it provides governance services. Groups offer protection, dispute resolution, and enforcement

of social rules. They sometimes punish theft, mediate family and neighbor conflicts, and enforce restrictions on street crime to reduce police attention and maintain a predictable environment for illegal business (Lessing, 2021; Arias, 2017).

This chapter uses "criminal groups" as the general term for any armed organization exercising territorial governance. The term "gangs" in this chapter refers to locally rooted armed groups that control territory and exercise governance functions. This usage differs from other definitions in national legislation, which sometimes apply "gang" labels based on membership thresholds, criminal records, or organizational structures. The key feature here is the governance function, not the legal classification. *Milícias*, as documented in Rio de Janeiro, are armed groups often composed of former or off-duty police and military personnel that control territory and extract rents while presenting themselves as community protection against drug-trafficking factions (*facções*) (Magaloni et al., 2020; Willis, 2015). In order to preserve analytical precision, specific local terms—"combos," "*razones*," "*facções*," "*milícias*," "cartels"—appear when discussing particular cities.

Violence in these contexts extends beyond homicide. Criminal governance regimes produce extortion, threats, restrictions on movement, forced displacement, sexual violence, and coerced recruitment of minors. Homicide data capture only the most visible outcome. Broader forms of violence—including gender-based violence within gang-controlled communities, psychological coercion, and economic predation—often persist or increase even when homicide rates decline (Yashar, 2018; Buvinic et al., 1999). Research from Rio de Janeiro documents how drug wars disrupt education and long-term human capital accumulation (Monteiro and Rocha, 2017). Evidence from El Salvador shows that gang control reduces labor mobility, wages, and economic development in affected communities (Melnikov et al., 2025). Research from Mexico links cartel presence to increases in disappearances, forced displacement, and nonlethal violence that standard crime statistics fail to capture (Atuesta and Vargas González, 2024).

Why Organized Crime Persists As Homicide Rates Fall

Many cities that have reduced homicide rates still face entrenched criminal governance. Medellín reduced its homicide rate from around 400 per 100,000 in 1991 to approximately 12 per 100,000 in recent years. Yet, extortion, territorial control, and gang governance persisted and in some areas expanded during the same period (Blattman et al., 2022a; 2022b). This occurred for a few reasons:

First, criminal groups reach bargained orders that reduce lethal violence while preserving governance. Medellín's criminal order shifted between violent fragmentation (2009–2012) and negotiated coordination. Criminal leaders arranged for reduced overt conflict and maintained a decade of relative stability, enforced through prison-based coordination and street-level discipline (Blattman et al., 2022b). Similar dynamics appear in Rio de Janeiro, where shifting alliances between drug-trafficking factions and *milícias* produce periods of reduced homicide alongside persistent extortion (Lessing and Denyer Willis, 2019).

Second, drug retail and extortion reinforce predictability. Wars disrupt sales, increase police attention, and generate internal defections. Governance activities—suppressing opportunistic theft, mediating disputes, enforcing rules—support stable markets and steady revenue (Blattman et al., 2025).

Third, state presence does not automatically displace criminal rule. In many cities, the state is neither absent nor fully effective. This intermediate condition—where the state can threaten criminal operations but cannot provide legitimate alternatives—creates incentives for gangs to invest in governance as a defensive strategy. Section B examines this mechanism and its policy implications in detail.

These persistence dynamics do not operate in isolation. City-level criminal orders are shaped by, and connect to, broader geopolitical forces. Four global trends—the fragmentation of international drug-control cooperation, rapid advances in digital technology, the resurgence of punitive security approaches, and climate-related displacement—directly affect

the revenue structures, enforcement environments, and political incentives that sustain criminal governance in cities. Each compounds the local conditions that allow criminal groups to persist even as homicide rates decline.

Global Shifts That Shape Local Criminal Governance

Four geopolitical trends directly affect how criminal groups operate in cities and how municipal governments can respond.

1. Fragmentation of the Multilateral System and International Drug-Control Cooperation

The postwar multilateral framework for drug control has weakened. Shifts in enforcement priorities across consumer countries, evolving harm-reduction debates, and declining cooperation on extradition and intelligence sharing affect trafficking routes and the distribution of drug rents. Organized crime adapts through diversifying markets, forging new alliances, and moving money through digital and financial channels (United Nations Office on Drugs and Crime, 2023, 2024; OECD, 2016; Bewley-Taylor, 2012). Cocaine trafficking routes through West Africa toward European markets have operated since at least the mid-2000s (United Nations Office on Drugs and Crime, 2008). Recent shifts involve the scale and diversification of these flows, not their novelty. West African transit routes now carry larger volumes and a wider range of commodities, creating new governance and violence dynamics in transit cities (Global Initiative Against Transnational Organized Crime, 2023). The Europol 2025 Threat Assessment identifies the expansion of organized crime networks operating across European port cities, with governance patterns that resemble those documented in Latin American contexts (Europol, 2025). The weakening of international cooperation directly affects local governance. It sustains the rents that criminal groups use to finance territorial control.

2. Technology and the Advancement of Artificial Intelligence

The rapid advance of digital technology and artificial intelligence transforms state security capacity and criminal operations. The scale of change is exponential. Machine learning enables predictive policing, automated surveillance, and real-time data integration at speeds and scales previously unavailable. Criminal organizations exploit the same infrastructure. Encrypted communications enable coordination across prison and street networks. Digital payment platforms facilitate extortion collection with reduced physical exposure. Social media amplify territorial claims and intimidation. AI-generated content can be used for disinformation, identity fraud, and recruitment. The cost of criminal coordination has decreased, while the cost of effective state oversight has increased.

Technology also shifts what cities can measure and what they cannot. Criminal activity migrates into digitally mediated forms—extortion via mobile payments, online drug markets, digital surveillance of residents—that traditional crime statistics fail to capture. Section B discusses the specific policy implications of these tools for policing and governance.

3. The Rise of Authoritarian and Punitive Security Approaches

A renewed global appeal for punitive security policies shapes local decision-making. "Tough on crime" agendas promise rapid violence reduction through raids, mass arrests, heavy sentencing, and, in some cases, extrajudicial killings (Holland, 2013). Research from Mexico shows that crackdowns and shifts in political protection can trigger violence and fragmentation (Dell, 2015; Trejo and Ley, 2018; Calderón et al., 2015). El Salvador's state of exception, which began in 2022 under President Nayib Bukele, led to the detention of over 80,000 people and produced significant short-term reductions in homicide. It also generated mass human rights violations, weakened due process, and concentrated incarcerated gang members in conditions that may facilitate future coordination (Lessing, 2017; Lessing and Denyer Willis, 2019).

In the Philippines, the "war on drugs" under President Rodrigo Duterte produced thousands of extrajudicial killings with limited impact on the drug-market structure. In Rio de Janeiro, large-scale police operations in *favelas* have generated high civilian casualties and deepened some distrust and mistrust of state institutions (Magaloni et al., 2020; Willis,

2015). The appeal of *mano dura* approaches often aligns with broader authoritarian tendencies that erode judicial independence, weaken oversight mechanisms, and concentrate executive power. The result reinforces cycles of coercion without displacing the governance structures that sustain criminal organizations.

4. Climate Change, Displacement, and Urban Vulnerability

Climate-related migration and environmental degradation generate new stresses in cities where criminal groups already operate. Displaced populations arriving in informal settlements often lack access to state services, formal labor markets, and legal protections. Criminal organizations fill these gaps, offering employment, informal credit, and dispute resolution in exchange for compliance and recruitment (Global Initiative Against Transnational Organized Crime, 2021). Climate shocks disrupt agricultural livelihoods and increase the supply of labor available to criminal organizations (Dube et al., 2016).

Climate-induced displacement creates recruitment pools, induces territorial competition in receiving areas, increases demand for informal governance in settlements that the state cannot serve, and produces conditions—overcrowding, absence of economic opportunity, weak social networks—associated with higher rates of interpersonal violence. Cities where environmental displacement concentrates in areas already under criminal governance face compounding risks. Rapid population growth in informal settlements outpaces state service delivery, strengthening the relative governance capacity of armed groups (Tietjen et al., 2023; Nett and Rüttinger, 2016).

Practice: How Cities Are Responding

City governments use several strategies to address organized crime as governance. These strategies rarely operate in isolation, and the same policy can produce divergent effects depending on local criminal group structure, drug-market rents, and the credibility of state service delivery. This section examines five policy domains: enforcement, negotiation and informal accommodation, public services, technology and surveillance, and prisons.

Enforcement and Its Limits

The Promise and Limits of Targeted Policing

A large body of evidence from the United States supports the effectiveness of hot-spot policing. Systematic reviews confirm that focused patrol and enforcement produce meaningful short-term reductions in crime at specific locations, including violent crime (Sherman and Weisburd, 1995; Braga et al., 2014; Weisburd et al., 2010). These findings have influenced policing strategies worldwide.

Evidence from some Latin American cities suggests that these results do not transfer uniformly. In Medellín, a randomized experiment on hot-spot policing found reductions in property crime—particularly car thefts—but no measurable effects on violent crime (Collazos et al., 2021). In Bogotá and Medellín, place-based interventions that combined policing with city services produced mixed results. Some evidence pointed to crime displacement rather than net reduction, with crime shifting to adjacent areas (Blattman et al., 2021). These findings contrast with the broader US literature, which generally finds limited displacement and net positive effects.

The divergence matters for policy. Hot-spot policing was developed in contexts where the state holds a clear monopoly on coercion, and criminal governance is marginal. In cities where armed groups govern territories, control drug markets, and provide services, the dynamics differ. Police presence may deter opportunistic street crime—theft, robbery, visible drug transactions—without affecting the governance structures that produce extortion, rule enforcement, and territorial control. Context determines which outcomes targeted policing can achieve.

Focused Deterrence

Focused deterrence strategies direct targeted communication to specific individuals or groups identified as highest-risk for violence. These strategies combine the offer of social services and economic support with a credible promise of swift enforcement consequences for continued violence. The approach originated in the United States with Operation Ceasefire and the Group Violence Intervention model (Kennedy, 2011).

Systematic reviews of US implementations find significant reductions in violence associated with focused deterrence (Braga and Weisburd, 2012). Evidence from Latin American adaptations remains limited but emerging. Focused deterrence targets the individuals and groups that sustain violence rather than entire territories. This specificity makes it potentially more compatible with contexts where criminal governance is embedded, because it avoids the broad disruption that triggers the governance-strengthening dynamic described below. Transferability to contexts with high corruption or weak prosecutorial capacity remains an open question.

Enforcement Can Strengthen Criminal Governance

Medellín's experience reveals a counterintuitive dynamic. When the state increases its presence near lucrative illicit markets, criminal groups often respond by investing more in governance to protect drug rents. There is evidence of a geographic discontinuity that was created by internal border changes in the past where state security forces were assigned closer to some city blocks than others for decades. Neighborhood gangs in closer proximity to state presence developed more governance over time—expanding rulemaking, enforcement, and service provision. The effect concentrates in neighborhoods with higher potential drug rents (Blattman et al., 2025).

Blattman et al. (2025) find that criminal groups near state presence develop stronger governance but do not necessarily produce lower violence rates. The relationship between governance strength and violence depends on whether groups face active competition or operate under bargained stability. Whether municipal authorities recognize this spatial pattern remains an open question that warrants further investigation through structured dialogue between researchers and city security officials.

This finding challenges the assumption that criminal governance results only from state absence. State presence increases the risk of seizures and arrests, which threatens the core business of drug-trafficking groups. Criminal groups respond by investing in governance. Governance makes neighborhoods orderly, reduces theft that could trigger police complaints, and builds compliance that deters residents from cooperating with authorities. Research from Rio de Janeiro identifies a parallel dynamic: Criminal groups expand governance in areas where state policing is present but insufficient to provide legitimate alternatives (Magaloni et al., 2020).

In Rio de Janeiro, *milícia* expansion depends not only on insufficient state presence but also on political alliances between *milícia* leaders and elected officials. These alliances provide protection from enforcement and access to public contracts (Magaloni et al., 2020; Willis, 2015). The *milícia* model differs from drug-trafficking factions precisely because of this political embeddedness.

For city governments, the implication is direct. Enforcement can reduce certain forms of street crime while increasing incentives for criminal groups to embed themselves deeper in local life, especially around drug markets that cannot easily relocate. This risk must inform the design of policing strategies and public service interventions (discussed below).

Broad Crackdowns Often Generate Violence and Fragmentation

Research from Mexico demonstrates that targeting cartel leaders can trigger succession conflicts, territorial fragmentation, and increases in violence (Dell, 2015; Calderón et al., 2015; Trejo and Ley, 2018). Evidence from Mexico also shows that drug-related detentions are associated with increased violence rather than a reduction (Atuesta, 2025). The "beheading" of criminal organizations disrupts existing bargained orders without eliminating the underlying economic incentives (Calderón et al., 2015). Successor factions compete for control, often with more violence than their predecessors employed.

El Salvador's mass incarceration approach under the state of exception produced dramatic homicide reductions. The concentration of gang members in overcrowded facilities creates conditions for prison-based coordination that may generate future governance challenges (Lessing, 2017; Skarbek, 2014).

Corruption and Selective Enforcement

Criminal governance persists when criminal groups can buy protection or negotiate limits on police action. In Rio de Janeiro, research documents how police-criminal collusion regulates the distribution of violence, with police selectively targeting some groups while protecting others (Willis, 2015; Magaloni et al., 2020). In Mexican cities, the breakdown of established protection arrangements between cartels and political actors triggered escalations of violence (Trejo and Ley, 2018). In Medellín, criminal brokers have repeatedly cultivated ties to political and security actors, reducing enforcement pressure and stabilizing criminal control (Martin, 2012; Duncan, 2014).

In Rio de Janeiro, police operations disproportionately target drug-faction-controlled *favelas* while *milícia*-controlled territories face significantly less enforcement pressure (Magaloni et al., 2020; Willis, 2015). This selective enforcement reinforces *milícia* governance. Interview-based accounts from Medellín describe how some criminal groups maintained political influence through connections with local political families.

Cities rarely control the entire enforcement apparatus. In Colombia, national police and prosecutors play primary roles. Municipal elected officials influence priorities through coordination, resource allocation, and political signals—levers that can support targeted enforcement or create incentives for informal accommodation.

Municipal authority over enforcement varies across governance structures. In federal systems such as Brazil and Mexico, mayors have even less control over police and prosecutors. In Brazil, state military police conduct most urban policing operations, while the federal civil police handle investigations. In Mexico, municipal police are limited to preventive functions, with investigative and organized-crime authority reserved for state and federal agencies. Municipal elected officials in these contexts influence security outcomes through social spending, urban planning, local service delivery, and political advocacy rather than direct operational command. This variation determines which recommendations cities can implement directly versus those requiring coordination with state or national authorities.

Negotiation and Informal Accommodation

In many cities, reductions in visible violence coincide with bargaining among criminal groups or between criminal actors and state-linked intermediaries. These bargains reduce open conflict. They also entrench the groups that reach them.

How Bargains Reduce Violence

Criminal peace agreements operate through discipline. Mid-level and senior leaders coordinate to prevent turf wars, align pricing, and resolve disputes. Prison confinement can facilitate coordination by holding leaders together and enabling communication, especially when prison governance remains porous (Lessing and Denyer Willis, 2019; Skarbek, 2014). In Medellín, the post-2012 period reflects such an arrangement. Criminal leaders, aided by prison dynamics, sustained a

reduction in open conflict for over a decade (Blattman et al., 2022b). In Rio de Janeiro, periods of reduced interfactional violence have coincided with informal truces brokered through prison networks (Lessing, 2017). In Mexican cities, local accommodations between cartels and municipal actors have sometimes reduced homicide in exchange for tacit tolerance of trafficking operations (Durán-Martínez, 2018).

How Bargains Entrench Criminal Governance

Bargains often come with enforcement boundaries. Police and political actors may reduce pressure on certain criminal leaders or territories in exchange for lower homicide rates. Criminal leaders then enforce discipline on lower-level groups and expand governance to maintain stability. This dynamic increases the capacity for extortion, normalizes illicit taxation, and strengthens territorial control.

In Medellín, interview-based accounts describe committees and brokered arrangements that linked demobilized armed actors, municipal government, and police. Interviewees described a "Mesa de Paz" (peace table) structure that functioned as a channel for coordination and, at times, for shielding illegal operations. In Rio de Janeiro, informal truces between police units and drug factions in specific *favelas* have allowed factions to consolidate extortion operations during periods of reduced lethal violence (Lessing, 2017; Arias, 2017). This accommodation reduces public accountability, promotes selective enforcement, fosters political capture, and erects barriers to entry for community organizations seeking to operate independently of criminal control.

What Cities Can Control

Municipal governments often lack direct authority to negotiate with armed groups, and legal constraints significantly limit this option. Municipal elected officials shape the environment that makes bargains more or less likely. They control social spending, local service delivery, municipal permits, and public messaging. They can support transparency and oversight to limit informal deals. They can also resist pressure to accept short-term reductions in homicide as sufficient measures of success when extortion and governance persist.

Public Services and the Governance Competition

Public Service Delivery Can Reduce Demand for Gang Services

Housing and property disputes in informal settlements constitute a major domain of criminal group governance. Where formal titling and property-resolution mechanisms are absent or slow, criminal groups fill the gap. This creates direct demand for criminal-group services that state dispute resolution could address.

Evidence from El Salvador illustrates where service delivery can target gang governance directly. Melnikov et al. (2025) show that gangs impose mobility restrictions on residents of controlled neighborhoods, preventing them from commuting to areas with larger firms and higher wages. Residents of gang territory earn lower incomes because territorial control limits their access to the broader labor market. These findings identify a specific governance function—movement restriction—that state investment in transport access, job-placement services, and formal labor market integration could address. The study preceded the 2022 state of exception and operated independently of *mano dura*-style enforcement. The implication for service delivery is that programs targeting the economic costs of territorial control—not only visible violence—can reduce the hold that gang governance exercises over residents' daily lives.

Service Delivery and the Governance Response

The enforcement evidence discussed above has direct implications for service delivery. Because criminal groups invest in governance partly as a defensive response to state presence, expanding public services in high-rent drug markets

can produce the same dynamic: The state improves conditions while criminal groups intensify their own governance to protect illicit revenue (Blattman et al., 2025).

Blattman et al. (2025) document this response in Medellín. When the city expanded state security presence in certain neighborhoods, combos in those areas increased rule enforcement, dispute resolution, and fee collection. Residents experienced more state services alongside more active criminal governance. City elected officials should anticipate this dual dynamic. Service expansion should target the specific functions that criminal groups provide—dispute resolution, protection, economic access—rather than delivering generic programs that leave criminal governance intact alongside improved infrastructure.

Civilian Alternatives to Policing Require Sustained Capacity

Recent experimental evidence from Medellín tested civilian alternatives to policing and expanded nonpolice state presence. Additional state attention does not automatically translate into effective service delivery. Neighborhoods with higher baseline institutional capacity—including both formal state services and community-led organizations—saw improved outcomes and higher state legitimacy. Low-capacity neighborhoods experienced unmet expectations and legitimacy declines (Blattman et al., 2026). Weak implementation erodes trust and creates opportunities for criminal groups to present themselves as more responsive. The sequencing of interventions matters. Cities should start with what they can deliver reliably, then expand.

Technology, Intelligence, and the Legitimacy Challenge

Section A outlined how rapid advances in AI and digital technology reshape both state capacity and criminal operations at a structural level. At the city level, these shifts translate into specific policy decisions about surveillance, data tools, and accountability.

Evidence from Medellín indicates that surveillance cameras can reduce certain street crimes, particularly property offenses, by increasing the perceived risk of detection (Gómez et al., 2021). Similar findings appear in studies across other urban contexts. Cameras serve as a deterrent to opportunistic crime. They do not, however, address the governance structures that sustain extortion and territorial control.

Surveillance also raises governance risks. Data-driven policing can improve investigations and resource allocation. It can also deepen perceptions of biased policing, especially if algorithmic tools amplify existing targeting patterns and weaken transparency (Brayne, 2017; Ferguson, 2017). In cities where communities already distrust police—Rio de Janeiro, Mexico City, Cape Town—the introduction of predictive tools without oversight mechanisms risks reinforcing existing inequities.

Criminal groups adapt to existing tools and state technological advances. In Medellín, criminal organizations provide incarcerated members with cell phones, legal representation, and financial support, maintaining cohesion and enabling governance to persist despite arrests. Encrypted messaging platforms enable coordination across prison and street networks. Criminal organizations also shift coordination to encrypted platforms in response to surveillance expansion and use countersurveillance tools to monitor police communications. Digital payment tools facilitate extortion collection. GPS and social media allow real-time monitoring of police movements and competitor activities. This constitutes an arms race dynamic, not a static advantage for either side.

Technology also changes the measurement problem. Cities evaluate security through metrics—homicide counts, arrests, reported robberies—that capture only a fraction of the harms that criminal governance produces. Extortion, coerced recruitment, restrictions on movement, and gender-based violence in criminal-group-controlled areas are forms of violence that standard metrics miss. Technology can further obscure these by moving criminal activity into digital channels.

Cities need data systems that track extortion, digital criminal activity, and resident experiences of coercion—not only crime incident counts.

Cities need governance rules for these tools. Oversight mechanisms, transparency requirements, disparity audits, and capacity building for operators form the foundation. Private technology providers, telecommunications companies, and financial institutions also play a role. Cities can partner with these actors to implement oversight standards, share threat intelligence on digital extortion, and design reporting mechanisms.

Prisons As a Pillar of Criminal Governance

Prisons shape urban criminal orders worldwide. Many criminal leaders cycle through incarceration. Prison time does not necessarily sever command. It can consolidate leadership, facilitate coordination among rival groups, and create channels for negotiation (Lessing and Denyer Willis, 2019; Skarbek, 2014). In Brazil, the Primeiro Comando da Capital emerged as a governance structure inside São Paulo's prisons and extended its rule to neighborhoods across the country (Lessing, 2017). In the United States, prison gangs govern the American penal system through constitutions, courts, and enforcement mechanisms (Skarbek, 2014). In Medellín, structured support systems maintain loyalty and allow governance to persist despite arrests—legal assistance, money transfers, and communication tools flow routinely to incarcerated members.

Prison-based coordination can reduce violence when incarcerated criminal leaders enforce discipline on street-level groups. It can also generate violence when coordination breaks down—through succession disputes, betrayals, or shifts in external alliances. The policy concern is that mass incarceration without prison governance reform creates conditions for both outcomes.

Evidence from Colombia shows that prison conditions and investments affect postrelease outcomes. Improvements in prison infrastructure reduce recidivism (Tobón, 2022). Mass incarceration concentrates criminal leaders in shared facilities. Without investment in classification, communication controls, and facility governance, these conditions enable criminal leaders to coordinate more effectively than they could on the street. Municipal security strategies need a prison component, even when prisons fall under national or state authority, because prisons shape the leadership and cohesion of urban criminal groups.

Evidence from Colombia also shows that inmate releases produce immediate increases in crime near prison facilities, which demonstrates why municipalities need reentry coordination even when prisons fall under national authority (Escobar et al., 2023). US evidence shows that the availability of jobs in construction and manufacturing at the time of release significantly reduces recidivism (Schnepel, 2018). Italian evidence finds that open-cell prison regimes reduce recidivism compared to closed-cell confinement (Mastrobuoni and Terlizzese, 2022). These findings point municipal governments toward concrete levers: job placement timed to release dates, coordination with prison authorities on release notifications, and advocacy for facility conditions that reduce reoffending.

Measurement Gaps

Elected city officials often manage what they can count. Homicides, arrests, and reported robberies receive constant attention. Criminal governance, extortion, and legitimacy receive far less measurement. This gap matters because the primary challenge in many cities now sits in those hard-to-measure domains. Research on Medellín demonstrates that in some neighborhoods, the share of respondents reporting "security fee" payments reaches extremely high levels even when homicide remains low (Blattman et al., 2022b).

Similar measurement challenges apply globally. Extortion victims fear retaliation and avoid reporting. Officials lack consistent reporting systems. Gender-based violence within criminal-group-controlled communities is particularly underreported. Research emphasizes the value of combining administrative data with surveys, qualitative work, and ethical safeguards to protect respondents (Blattman et al., 2022c). A city can show improvements in homicide rates while extortion expands and criminal group legitimacy grows. Without governance-level measurement, elected officials risk declaring success while criminal authority consolidates.

Recommendations and Conclusion

The evidence from Medellín, Rio de Janeiro, San Salvador, Mexican cities, and other urban contexts yields actionable lessons for city governments that face organized crime as governance. These recommendations focus on what cities can do under constrained authority, fragmented policing and justice systems, and shifting global pressures.

1. Diagnose the Governance Problem, Not Only the Violence Problem

Recommendation 1. Build a governance and extortion dashboard. Cities need an operational picture of who governs, how they govern, and what residents experience. Measurement should include extortion incidence and payment schedules (disaggregated by sector and neighborhood), the presence and services of armed groups, citizen perceptions of legitimacy and safety, drug-market indicators (including retail locations and price proxies), police response times and complaint patterns, and municipal service delivery performance in high-risk neighborhoods. Survey tools matter because extortion victims often avoid reporting. Qualitative work matters because governance activities remain hidden. Research from Medellín shows how representative surveys and structured interviews can produce systematic indicators of both state and criminal group governance (Blattman et al., 2025). Measurement also requires ethics and security protocols to protect respondents and researchers (Blattman et al., 2022c).

Recommendation 2. Map criminal governance as a service market. Cities often map crime incidents. They should also map governance functions, identifying where criminal groups settle disputes, enforce rules, provide protection, and collect fees. This mapping helps elected officials anticipate where policy changes will trigger criminal group responses. It also guides targeted investments in state dispute resolution and social services.

2. Address the Economic Foundations of Criminal Governance

Criminal groups invest more in governance where drug rents are high and where the state threatens those rents (Blattman et al., 2025). Policies that address only the visible manifestations of violence—homicides, shootings, public disorder—leave the revenue structures that sustain governance intact.

Recommendation 3. Target the economics of drug retail markets. Most supply-side enforcement and financial investigation capacity sits at the national level. Municipal governments contribute through spatial regulation—redesigning public spaces that sustain retail markets—local harm-reduction partnerships, and coordination with national agencies. Cities can act on rents through several levers. Target retail points and wholesale supply chains rather than relying on indiscriminate raids. Use financial investigations to disrupt laundering connected to urban markets (Caulkins, 2022; Levi, Reuter, and Halliday, 2017). Expand treatment and harm-reduction services that reduce demand for illicit retail, in partnership with health agencies (Csete et al., 2016). This approach requires patience. It also requires anticipating the "terrible trade-off": policies that reduce illicit profits can reduce criminal groups' incentives to maintain order (Blattman et al., 2022a). Cities should pair rent-reduction strategies with violence prevention and protection for residents and witnesses.

3. Build State Capacity Where Residents Experience Governance

Many city strategies focus on police numbers and operations. Residents experience governance through daily interactions with street-level officials, dispute-resolution institutions, and public services.

Recommendation 4. Strengthen municipal dispute resolution and small-claims justice. Criminal groups fill gaps in low-level justice. Cities can compete by improving rapid-response mediation services for neighbor and family disputes, accessible municipal complaint systems with protection protocols, small claims and consumer protection mechanisms, and housing and property conflict resolution in informal settlements. These interventions reduce demand for criminal group "services" and increase the credibility of the state. Evidence from multiple cities confirms that residents rely on criminal governance partly because formal alternatives are absent, slow, or inaccessible (Lessing, 2021; Moncada, 2022).

Recommendation 5. Deliver services reliably in high-risk neighborhoods. State presence builds legitimacy when delivery meets expectations. Weak implementation reduces legitimacy (Blattman et al., 2026). Cities should avoid announcing ambitious programs without delivery capacity. Sequencing matters. Start with what can be delivered reliably, then expand. Neighborhoods with lower baseline state capacity need more intensive, sustained support before policy interventions produce expected effects.

4. Use Enforcement in Ways That Reduce Harm and Avoid Consolidation

Recommendation 6. Prioritize focused, accountable enforcement calibrated to context. Evidence from the United States supports the use of hot-spot policing to reduce crime at specific locations (Braga et al., 2014; Sherman and Weisburd, 1995). Evidence from Medellín and Bogotá shows more-limited effects, with reductions concentrated in crimes unrelated to criminal group violence and evidence of displacement (Collazos et al., 2021; Blattman et al., 2021). Focused deterrence offers a complementary approach: Targeted communication to highest-risk individuals, combined with service offers and credible enforcement consequences, has produced violence reductions in US cities (Kennedy, 2011; Braga and Weisburd, 2012). Cities adopting these strategies should assess whether the conditions that produced results in one context apply to their own.

Focused enforcement should be paired with clear limits on the use of force, strong internal affairs and external oversight, transparent performance measures beyond arrest counts, and community engagement that builds procedural justice and legitimacy (Tyler, 2006; Mazerolle et al., 2013). Procedural justice matters because legitimacy shapes cooperation and compliance. Residents who distrust police avoid reporting extortion and participating in investigations, which strengthens criminal governance.

Recommendation 7. Avoid broad crackdowns that create leadership succession crises and prison-based consolidation. Removing criminal leaders triggers competition among potential successors. Successor factions often escalate violence to establish control, especially when existing bargains depended on the removed criminal leader's personal authority (Dell, 2015; Calderón et al., 2015). Arrest strategies that concentrate criminal leaders inside porous prison systems can strengthen collective governance. Cities should coordinate with national authorities to ensure that enforcement does not move leadership into a more effective coordination environment (Lessing, 2017; Trejo and Ley, 2018).

5. Treat Prisons As Part of the City's Governance System

Recommendation 8. Build a city-prison coordination agenda. Cities should work with national or state/provincial prison authorities to monitor prison-based coordination among criminal groups, expand reintegration and postrelease supervision, support reentry services including housing and employment programs that reduce reliance on criminal group networks after release, and advocate for improved classification and communication controls within facilities. Evidence

from Colombia shows that prison investments affect recidivism (Tobón, 2022). Even where cities lack direct authority over prisons, they can reduce criminal governance by investing in what happens after incarceration.

6. Govern Technology to Protect Trust While Improving Effectiveness

Recommendation 9. Adopt technology with rules, oversight, and community safeguards. Evidence indicates that surveillance cameras reduce some property crime, particularly theft (Gómez et al., 2021). Their direct effect on violent crime associated with criminal governance remains undemonstrated. Big-data tools can also amplify bias and weaken transparency (Brayne, 2017; Ferguson, 2017). Cities should publish rules on data collection, retention, and access. They should create independent oversight mechanisms, audit systems for disparate impacts, and integrate technology into problem-oriented policing rather than only reactive enforcement. Capacity building for those who operate these tools is equally important. Criminal groups also use technology; cities need cyber- and financial-intelligence capacity to track extortion and money-laundering networks.

7. Protect Civic Space and Reduce Criminal Capture of Community Life

Criminal groups penetrate community organizations, co-opt community leaders, and exercise informal control over neighborhood associations and local contracting. Brokered arrangements can blur lines between state actors and criminal structures, creating risks for civil society leaders and residents who resist criminal control.

Recommendation 10. Protect community leadership and create safe reporting channels. Cities should create anonymous reporting mechanisms with protection protocols; support community leaders with legal aid and emergency relocation options; monitor and prevent criminal group capture of local contracting, permits, and neighborhood associations; and invest in witness-protection coordination with national authorities.

8. Plan for Global Shocks and Shifting Criminal Portfolios

Criminal structures connect to broader trafficking and laundering networks. Global shifts in drug markets, enforcement cooperation, digital infrastructure, and climate-related displacement will continue to reshape incentives.

Recommendation 11. Build a geopolitical risk lens into city security planning. Cities should monitor changes in trafficking routes and markets that affect local rents, shifts in national enforcement priorities and extradition patterns, digital payment adoption and laundering opportunities, and migration and labor market shocks that affect recruitment. This planning can be pragmatic. Scenario exercises and routine intelligence briefings that integrate health, economic development, and security agencies provide a starting framework. Smaller and mid-sized cities with limited analytical staff can supplement their capacity through partnerships with international networks—including Peace in Our Cities, the Global Initiative Against Transnational Organized Crime, and the Strong Cities Network—that track geopolitical risks and organized crime trends.

Conclusion

Organized crime governs in cities because governance sustains profits and reduces risk. From Medellín to Rio de Janeiro, from San Salvador to Cape Town, armed groups operate inside layered systems that link neighborhood control to broader trafficking and financial networks. Homicide reductions often coexist with persistent extortion, territorial control, and the erosion of civic life. Stronger state presence can, under certain conditions, raise incentives for criminal-group governance in high-rent drug markets, creating real policy dilemmas (Blattman et al., 2025).

Cities facing these dynamics need strategies that match the governance problem. They need measurement systems that capture extortion and legitimacy. They need state capacity in dispute resolution and service delivery that residents

experience directly. They need enforcement that stays focused and accountable—and calibrated to local conditions, since strategies that work in one context may produce displacement or limited effects in another. They need prison coordination that prevents incarceration from strengthening criminal networks. They need governance rules for technology that protect trust and anticipate adaptation. They need to treat organized crime as an economic and political actor whose strategies shift with global drug markets, digital tools, security politics, and climate disruption.

Institutional resilience—the capacity of public institutions to govern legitimately and effectively under pressure—requires building public authority that residents recognize as credible. The alternatives—accepting informal accommodation as long as homicide remains low, pursuing punitive crackdowns that fragment criminal markets without displacing governance, or failing to invest in the municipal institutions that residents interact with daily—each weakens the long-term capacity of cities to govern.

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peace
IN OUR CITIES

About Peace in Our Cities

Peace in Our Cities (PiOC) is a unique global network of over 30 cities and more than 50 community-based and international partners.

PiOC seeks to reduce and prevent urban violence worldwide—preserving lives and helping cities thrive. It does so by creating concrete, participatory, and evidence-based platform exchanges to reduce and prevent severe violence in member cities, while also building a global movement of urban-violence-reduction advocates.

The PiOC approach is based on three lines of action:

- **Amplify** policymaker awareness of the genuine scope and scale of urban violence and opportunities available to help cities address it.
- **Advance** evidence-informed, balanced policy solutions and peacebuilding approaches to reduce the most severe forms of violence in urban contexts.
- **Accompany** city leaders, community partners, and civil society through peer exchanges and information access to realize ambitious targets for violence reduction.

Peace in Our Cities is co-facilitated by Pathfinders for Peaceful, Just, and Inclusive Societies at New York University's Center on International Cooperation; the Stanley Center for Peace and Security; Co-founder and Principal, Rachel Locke; and Expert Advisor and Membership Liaison, Flavia Carbonari. To learn more, donate, or join, please contact info@peaceinourcities.org or visit www.peaceinourcities.org.