

2014

# Public Insecurity in Latin America

March 2014

This index examines how each country in the region is working towards reducing the levels of public insecurity, with particular focus on the business community. This allows us to see the long-term trends in terms of the improvement or worsening of the security situation.

Our categories are based on official federal, provincial and municipal-level figures, concerning areas such as homicides, felonies, organized crime and drug trafficking, cargo and warehouse theft, home invasion, kidnapping, political and labor unrest, riots and violent demonstrations, as well as analyses of the effectiveness of government programs intended to address these problems. Only reliable government reported data has been considered as well as data and studies generated by NGOs and multilateral organizations. We analyze credible regional media, in order to obtain more specific information about certain phenomena, as well as academic research on the subject. Finally, we also utilize information gathered directly through our own work and business contacts in the region.

## Regional Overview

Over the past decade, Latin America has mostly demonstrated strong economic growth with better integration, more commitment to the weakest social sectors, and with more entrenched democratic governments. However, social mobility and inclusion has not eliminated the scourge of public insecurity. It remains, together with organized crime, money laundering, corruption and drug trafficking, paramount on regional government agendas.

The phenomenon of organized crime and extreme violence surrounding the activities of drug cartels and the movement of drugs from production to consumer markets continues to be a major source of public insecurity in parts of Central America and Mexico. Additionally, social and political unrest has become a factor for some of the more troubled economies, such as Venezuela. Finally, despite significant investment that has led to marked improvements in some countries such as Colombia and Brazil, they have seen a resurgence of crime that has been difficult to control.

Public insecurity in the region continues to demand significant resources from the business community to protect its critical assets, and has a corrosive effect on the region's competitiveness in the fight to attract investment dollars.

## Country Situation

**Mexico** After some initial success in lowering homicide rates, the overall security situation in Mexico shows little sign of further improvement. The growth of militias to fight the drug cartels, infighting among the cartels themselves and continued government actions has shown a similar level of public insecurity, kidnappings and violence as prior years, with increases in some areas such as theft of merchandise in transit. The spectacular capture of Chapo Guzman, head of what is arguably the largest drug cartel in the world, may have a positive impact but it is too early to tell.

**Venezuela** The Maduro administration has inherited a heavy burden with regards to a politically divided country, a collapsed economy, record inflation, and the highest rates of public insecurity in the region. Corruption, organized crime and violent political clashes have worsened an already critical situation. Investments have been made to reinforce law enforcement agencies and to deploy them more heavily throughout the country, but so far the effect remains to be seen.

**Honduras** The country has one of the highest rates of public insecurity in the region, highlighted by entire portions of its sovereign territory out of control of the central government due to drug cartel activity, and extremely high homicide and violent crime rates, in part due to the "maras" (gang) activity. President Hernández is attacking the problem directly with more resources and multilateral cooperation. It is too early to tell what results he will obtain.

**Nicaragua** The country continues to maintain the lowest rate of insecurity in the "Triangle of Central America;" however, robberies with violence are high and increasing. For example, in the first month of this year, violent crimes increased by 15% in comparison to the same month the prior year. The government continues to implement social order policies in order to achieve greater inclusion in sectors considered at risk alongside the fight against organized crime.

**Brazil** The country continues to see high amounts of crime in major cities in the northeast, with a continued resurgence of crime in São Paulo as well. Rio has stabilized after showing material improvement the past several years. The penitentiary system is still in urgent need of reform. Significant resources have been deployed in the face of the upcoming World Cup and later Olympics, but overall public insecurity rates remain

stubbornly high. One of the biggest new issues of concern is the rivalry between the two largest criminal groups in the country (CV and PCC), and their potential impact during this period.

**Colombia** As mentioned in 2013, the peace negotiations between the government and the guerrillas continue. An agreement doesn't appear to be imminent; however, the guerrillas are weaker than they have been in the past. An additional concern is those members that do not enter into the process may organize as criminal gangs. The Santos administration has made improvements in border control between neighboring countries. However, some of the major cities in the country have seen worsening crime statistics.

**Argentina** The country is going through a difficult economic crisis with high inflation and increasing social protest. Activities of drug cartels in the country have become apparent and have been associated with violent crime. The areas of Greater Rosario and Greater Buenos Aires are the most affected.

**Panama** The country continues to invest heavily in security for controlling drug trafficking. The year 2013 ended with slightly improved crime rates to those of 2012 and continues to trend slightly down.

**Costa Rica** The government continues with its plan to professionalize the security forces and its investment in public safety prevention programs. The country continues to maintain lower crime rates than other neighboring countries, although it has not been completely isolated from their problems.

**Peru** The country continues to maintain low levels of crime in relation to other neighboring countries, but drug trafficking remains a major threat. Several studies highlight an increase in overall crime year on year. Despite investments and changes made to control crime and combat violence, well over half of the population perceives the country as insecure.

**Haiti** The country has seen a drop in its homicide rate, mostly attributable to the presence of the United Nations Stabilization Mission in Haiti (French: Mission des Nations Unies pour la stabilisation en Haïti), also known as MINUSTAH, as well as reforms to the Haitian National Police. Other types of violent crimes remain high, as does criminality in general.

**Paraguay** The Cartes administration has inherited persistent high juvenile crime rates and the porous tri-border area with Brazil and Argentina continues to represent a threat for drug activity, organized crime and money laundering. The guerrilla group "Paraguayan People's Army" (Spanish: Ejército del Pueblo Paraguayo or EPP) is increasingly active as well.

## REGIONAL SECURITY INDEX LATIN AMERICAN COUNTRIES 2014

Country	Danger Level	Trend
Venezuela	5	
Honduras	5	
Guatemala	5	
Haiti	5	
Mexico	5	
El Salvador	4	
Brazil	4	
Colombia	4	
Bolivia	4	
Nicaragua	4	
Argentina	3	
Paraguay	3	
Peru	3	
Dominican Rep.	3	
Ecuador	3	
Panama	3	
Uruguay	2	
Chile	2	
Costa Rica	2	

**Reference System for colors and numbers:**  
All rankings are from 1 to 5, rated by FTI Consulting Latin America, with 1 representing a safe country and 5 representing a very dangerous country. A red dot means a trend toward a higher grade, yellow means stable with possible changes, and green means stable without changes. The rankings are based on official figures from the secretariats of public safety, local police, governments, multilateral organizations, nongovernmental organizations (NGOs) and research institutes on crime.



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