

Gang Rule: Understanding and Countering Criminal Governance

Based on BFI Working Paper No. 2022-85 "[Gang Rule: Understanding and Countering Criminal Governance](#)" by Christopher Blattman, University of Chicago; Gustavo Duncan, Universidad de Los Andes; Benjamin Lessing, University of Chicago; and Santiago Tobón, Escuela de Finanzas, Economía y Gobierno

In Medellín, Colombia, gangs provide residents of low- and middle-income neighborhoods with key governing services to reduce the need for state presence, thereby protecting their drug profits. Increased state presence leads to increased gang presence, suggesting new strategies for countering criminal governance.

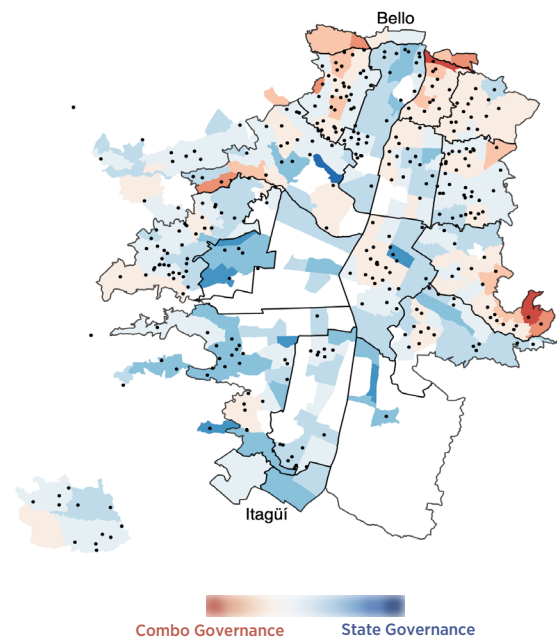
Criminal organizations are pervasive. In many cities globally, gangs serve critical functions by enforcing social order and property rights, often despite the presence of strong governments. Such conditions present a puzzle to researchers and policymakers who expect gang activity to diminish in the presence of greater state power. This paper aims to resolve this paradox, investigating how these so-called “duopolies” function, and what policies may be effective at curbing gang activity.

The authors use Medellín, Colombia, as a case study in their analysis. Medellín is a large city that features an advanced economy and strong government at the local-, state-, and national-level. Nonetheless, virtually every low- and middle-income neighborhood in Medellín is also occupied by one of more than 350 small gangs, or combos, who typically engage in at least some governance activities, including prohibiting and punishing property crime, settling disputes between neighbors, enforcing rules, and, exchange, taxing locals.

The authors begin their analysis by interviewing 118 criminal leaders and group members across 41 groups in Medellín. They supplement their interviews with data from a citywide survey covering nearly 7,000 residents and businesses, whom the authors query concerning state and combo rule in their neighborhood. They document the following concerning gang rule in Medellín:

- While the state is the predominant provider of protection, combos are seldom far behind. In roughly a third of city blocks, residents report that their combo is the leading provider of security and dispute resolution.

Figure 1 • State vs. Combo Power by Comuna



Note: This map uses survey data to compute the average difference between the perceived power of the state versus the combo across Medellín's different neighborhoods (comunas). Dark blue areas indicate places where residents perceive the combo to be much more powerful than the state, and dark red areas indicate the opposite. The black dots show the estimated locations of combos. High-income neighborhoods are excluded from the analysis and shown here in white.

- Combos typically collect security fees for their services. But while taxing residents involves coercion, many payees report they value the services and that they view the combos as legitimate.
- Several criminal leaders report that they govern not for the direct profits, but rather because it

protects their other business lines, especially drug sales. Providing neighborhood order reduces the need for routine police patrols and entry by special agents. When police do enter, residents who are loyal to the gangs are less likely to inform on gang members, and may even actively help them hide.

Building on these results, the authors next turn to determining how combos respond to increased state presence. To do so, they exploit a 1987 policy change that altered policing jurisdictions in Medellín and generated quasi-random changes in the distance to local and state protection across different neighborhoods. The authors use their survey, which was administered in 2019, to measure the long-run impacts of this change on governance by both the combos and the state. They find the following:

- Not surprisingly, moving closer to police and municipal headquarters increases reports of state governance. On blocks assigned to be 400 meters closer to their police and municipal dispute resolution agencies (the median change), residents reported 12% higher state responsiveness to disputes and disorder. This suggests that proximity matters for projecting state power.
- On average, the combos responded to increased state governance by governing more themselves. Growing 400 meters closer to state headquarters increases reports of combo rule by 25%. This implies the combo is about twice as responsive as the state. This may be because the state takes several measures to distribute services as evenly as possible across the neighborhood, dampening the impact of distance.

- The authors use machine learning to predict neighborhoods' proximity to future drug markets, using characteristics such as demographics and development levels. They find that on blocks with the lowest potential drug rents, combos do not respond to state presence by governing more. On blocks with the highest future potential profits, however, the combo response is dramatic.
- The authors find little evidence that state presence leads to greater economic development and in-migration, supporting their hypothesis that the primary mechanism connecting state and combo governance is the protection of rents.

This research helps to explain why gang rule is a problem in "semi-strong states," where governments are powerful enough to create illicit markets and challenge criminal gangs, yet too weak to eliminate them entirely. The same often holds for neighborhoods, where stronger state presence crowds out gangs in higher-income areas, while conceding criminal activity in low- and middle-income neighborhoods.

Policy-wise, these results suggest governments will need to go beyond piecemeal state-building to counter gang rule, perhaps by trying to shape local norms of combo legitimacy, or undermining drug profits. The authors encourage policymakers to proceed with caution, however, as undermining drug profits could result in more ruthless, extractive, and violent organizations.

READ THE WORKING PAPER

NO. 2022-85 · MARCH 2023

Gang Rule: Understanding and Countering Criminal Governance

bfi.uchicago.edu/working-paper/2022-85

ABOUT OUR SCHOLAR



Christopher Blattman

Ramalee E. Pearson Professor of Global Conflict Studies, Harris School of Public Policy
harris.uchicago.edu/directory/christopher-blattman



Benjamin Lessing

Associate Professor of Political Science, Department of Political Science
political-science.uchicago.edu/directory/benjamin-lessing



THE UNIVERSITY OF
CHICAGO