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Contested Governance and the Struggle for State Legitimacy in Latin America

Douglas Farah and Pablo Zeballos, IBI Consultants, LLC

Executive Summary

Increasingly complex [Community Embedded Transnational Armed Groups \(CETAGs\)](#) criminal organizations are expanding their effective governance and territorial control across large swaths of Latin America, often with more legitimacy in the eyes of the governed than national or local governments.

This is creating a mosaic of alternative governance models that exercise strategic control of key supply chain segments and illicit economies, with deep community roots. These non-state governance models present some of the most complex challenges to recuperating functional, legitimate state governance in strategic geographic and economic regions of the hemisphere such as Venezuela, Haiti, Ecuador, Colombia and beyond.

This is not a small and isolated phenomenon. By some recent estimates some 46 percent of the population of 18 Latin American nations, [roughly 79 million people, now live areas of extra-legal governance or contested spaces between the state and CETAGs](#). This is equal to the populations of Colombia and Peru combined. Because of the varied types and levels of control and combinations with corrupt state actors, we use extra-legal governance rather than dichotomy of state/criminal governance.

As the removal of Nicolás Maduro in Venezuela demonstrated, regime reorganization can be undertaken at relatively low costs. However, consolidating legitimate state control across myriad non-state governed territories is a far more complex yet vital to successfully executing [SOUTHCOM's intended sequence of](#)

[stabilization, recovery and eventual political transition](#), as enunciated in regard to Venezuela and applicable across the region.

Replacing CETAG governance across multiple regions with legitimate state sovereignty will require deliberate, often non-military approaches including some that may mirror elements of the Maduro extraction—removing the critical leadership while leaving functional parts of the CETAG governance in place temporarily as the state reestablishes legitimacy and territorial control.

Crucial to a stabilization and political transition are: community engagement; a disaggregation of complex social structures to differentiate among criminal actors and civilian inhabitants; and effective and robust state engagement to offer a positive presence as CETAGs are displaced. Stabilization, recovery and political transition will not be possible without this.

Introduction

The rise of these [Community Embedded Transnational Armed Groups \(CETAGs\)](#) that occupy many key geographic and organizational spaces between transnational criminal cartels and street gangs, provide long-term persistent and pervasive governance structures in spaces where the state is absent or exercises solely a negative (corruption, abuses, extortion) presence. While they are transnational because they operate in more than one country, the overlap is usually confined to border areas, and so are better described as operating across a multi-state “neighborhood” rather than that extra-regionally.

CETAGs are now occupying strategic geographic space around ports, controlling international borders regions, and much of the region's cycles of sharp spikes in violence followed by sudden drops, is driven by these groups battling over vital and lucrative logistical pathways for illicit goods. Criminal controlled prisons now often provide safe havens for criminal leaders, who seek sanctuary in spaces they can control while continuing to control and profit from criminal economies and creating autonomous criminal economies within the prison system.

Examples of CETAGs operating within this paradigm are: Clan del Golfo (Colombia/Ecuador); The PCC (Brazil/Paraguay/Bolivia); the MS-13 or Mara Salvatrucha (Honduras/Guatemala); FARC dissident groups (Venezuela/Colombia); Tren de Aragua (Venezuela, Chile, Ecuador); and the Lobos and Choneros (Ecuador/Peru).

CETAGs are foundational to the emerging Fifth Wave of transnational organized crime in the hemisphere and tend to be “polyamorous,” meaning they are able to simultaneously operate with multiple partners with different task masters without losing their autonomy.

We defined the [Fourth Wave of Transnational Organized Crime](#) in part as the introduction of new extra-regional actors, new products and markets, and new trafficking methodologies into Latin America. The first three waves were identified by cocaine as the primary product. First was Pablo Escobar's introduction of mass production and transporting of the drug to the United States; then the Cali cartel's change of routes and alliance with the Mexican cocaine organizations; and the third was rise of the [Bolivarian joint criminal enterprise](#).

In the Fifth Wave, CETAGs—intermediate groups that are the connective tissue between local criminal organizations, transnational criminal organizations and extra-regional criminal consortiums—play a vital role based on

their territorial control and therefore the capacity to move multiple new products introduced in the Fourth Wave safely to the international market.

These include cocaine, now primarily sent to European markets, tons of illicit gold, wildlife and timber, precursor chemicals for the production of synthetic drugs, fake or stolen pharmaceuticals and other products. These new products and changing trafficking routes require robust access to ports, border crossings and multi-use illicit pathways.

Thus the territorial control of CETAGs exercising local and regional governance place them at the center of efforts stabilize security by the state, recovery of economic activity in benefit of the population and the state, and transition to democratic governance and rule of law.

Main Argument

The key innovation is these groups demonstrated, multi-faceted ability to move beyond coercive intimidation (negative presence) in pursuit of control of multiple illicit economies to providing positive governance benefits. The CETAGs increasingly carry out [both positive and negative state roles](#) and derive their legitimacy from their organic ties to the communities they control, unlike national authorities, who come as outsiders.

The positive governance characteristics include: CETAG enforced reductions in community violence and local crime; protection from abuses, corruption and extortion by state forces, usually the police and civil authorities; rudimentary but functional and expeditious judicial resolutions, including trials and mediation; and economic opportunities—roles the absent state cannot or will not undertake.

The critical issue of legitimacy in areas of contested governance is now largely won by CETAGs, who members have been born in the affected communities or present there for many years. Through a series of intentional internal reevaluations, CETAGs, by focusing on positive

governance and state absence, have often overwhelmingly won the “hearts and minds” component of the conflict, even at times [foregoing lucrative extortion practices to gain community support](#).

Moving beyond ad hoc and often arbitrary violence, extortion and predatory sexual behavior that were hallmarks of their early years, many CETAGs, while still relying of violent enforcement, have codified the new norms by establishing a type of territorial bureaucracy to administer goods, social services, judicial remedies, and economic activities—including tax collection—and financial redistribution. This allows for predictability amid the uncertainty of day-to-day survival in many areas, further enhancing CETAG legitimacy.

While often designated and discussed as operationally equivalent to transnational criminal organizations (TCOs), CETAGs are functionally different and, in many ways more difficult to combat because of their organic ties to the communities in which they operate. CETAGs usually operate in seemingly contradictory but rational ways: enforcing governance structures and “laws” through unforgiving, violent means to keep control of the population while simultaneously providing responsive, effective solutions to community problems in the absence of the state.

If the [link between power and citizens is the perception of the power exercised being just and legitimate](#), then the state is often at a significant disadvantage, and reclaiming or reestablishing legitimacy is a complex, multi-faceted and essential task to building stable regional partnerships on shared commitments to democratic governance and the rule of law.

This means that the populations that live in areas under CETAG governance or of contested governance with the state, have few options but to carry out a daily cost/benefit analysis of who to obey and how to navigate complex situations

among armed groups and those groups and the state, each capable of inflicting physical and economic pain or death.

Loyalties can change but only when it is a rational cost/benefit net gain, meaning most people behave and operate not as criminals or CETAG members but rational human beings who have assessed that, within their economic and social parameters, that the CETAG governance is the best option available them.

Policy Context

Given the enduring expansion of criminal state governance and the pervasive weakness and/or absence of national and subnational government authority, one of the most consistent responses is to deploy the militaries and their U.S. allies to the front lines of the conflict.

However, in this context, a largely militarized response to displacing the CETAGs from their areas of operation is often counterproductive and in fact increases political support for the groups because [“traffickers who are native to the community, limit their use of violence in the community, and invest economically in the community are the most likely to win the community’s support or even become viewed as Robin Hood-esque figures.”](#) Law enforcement and military forces that come from outside the area, conversely, increase conflict and suppress economic activity without providing any viable security or economic alternatives.

Policy Recommendations

Maintaining a level of stability across multiple sub-national territorial jurisdictions while displacing extra-legal governance structures is complex and costly, especially in regions of Venezuela and the Venezuela/Colombia border regions where there are no partner law enforcement, military or intelligence structures that can be trusted. This vacuum means the military is often chosen to lead such efforts, often with little support from other government institutions.

The essential ingredients missing in almost every policy that relies on the use of the military as the primary entity to combat crimes are: resources and planning to create viable alternatives that would delegitimize CETAG governance while making the state a better option in the cost/benefit analysis; [and not having a clear, time-limited, specific mission set for the military forces](#) that allow the forces to use their training and capacities to best advantage with a clear exit strategy. This could include port security, border control, logistical support and temporarily occupying contested spaces.

But [militarization implemented without strategic planning, financial and logistical intelligence, effective civilian oversight, and clear exit strategies](#) tends to produce limited results while generating significant long-term risks and harms. These include the erosion of civilian and military institutions, criminal co-optation of institutions, weakened civilian control of the military, and democratic backsliding.

There is no silver bullet to displace CETAGs after years and often decades of state abandonment and occasional abusive forays into areas where criminal groups now provide a more beneficial governance model with community ties. Rather, it takes a sustained effort by a combination state actors both national and international actors, including but not limited to the military.

Authors

Douglas Farah is founder and president of IBI Consultants, LLC (www.ibiconsultants.net), a security consulting firm that specializes in security issues and transnational organized crime in Latin America. Its clients include the U.S. government, leading think tanks, and the private sector. From 2013 to 2022 Farah was a visiting senior fellow at the Center for Strategic Research at National Defense University, where he led a project mapping transnational criminal networks in the region, and he frequently briefed his

research findings across the interagency and intelligence communities. For the two decades prior to founding IBI Consultants in 2005, Farah was a foreign correspondent and investigative reporter for The Washington Post covering civil wars in Central America, organized crime in South America, and blood diamond in West Africa. He is the author of dozens academic studies and two books: *Blood From Stones: The Secret Financial Network of Terror*, Broadway, New York, 2004 and *Merchant of Death: Money, Guns, Planes and the Man Who Makes War Possible*, J. Wiley, New York, August 2007. (With Stephen Braun).

Pablo Zeballos has a Masters in advance public security administration and 20 years as an officer in Chile's Carabineros police force, where he specialized in intelligence, international terrorism, emerging threats, religious extremism and transnational organized crime. He led multiple investigations and operations in these fields, both nationally and internationally. He also worked as an instructor. He is a consultant and investigator focused on fieldwork studying the dynamics of crime and social breakdown in Latin America, designed to strengthen strategic intelligence and public security in defense of democracy and rule of law. In June 2024 he published the book *A Virus in the Shadows (Un Virus Entre Sombras*, Editorial Catalonia) examining the transformation of crime in Chile and Latin America.

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