Volume Title: The Economics of Crime: Lessons for and from Latin America

Volume Author/Editor: Rafael Di Tella, Sebastian Edwards, and Ernesto Schargrodsky, editors

Volume Publisher: University of Chicago Press

Volume ISBN: 0-226-15374-6 (cloth); 0-226-79185-8 (paper)
ISBN13: 978-0-226-15374-2 (cloth); 978-0-226-79185-2 (paper)

Volume URL: http://www.nber.org/books/dite09-1

Conference Date: November 29-30, 2007

Publication Date: July 2010

Chapter Title: Comment on "Understanding High Crime Rates in Latin America: The Role of Social and Policy Factors"

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Chapter URL: http://www.nber.org/chapters/c11832

Chapter pages in book: (56 - 60)

Comment Alejandro Gaviria

This chapter contradicts a widespread opinion, held by political commentators and policymakers alike, that Latin America is an exceptional region in terms of crime and violence. The chapter shows that homicide rates in Latin America are not much different from what one should have expected given its "crime fundamentals." Three factors, in particular, appear to explain much of Latin America high crime rates: high-income inequality, very low incarceration rates, and small police forces.

This conclusion has a straightforward policy implication. If Latin American high levels of crime and violence are not the consequences of some mysterious social or historical force, but the manifestation of identifiable failures of public policy, then violence is tractable. The findings of this chapter cast many doubts on the defeatism that has characterized the public discourse in Latin America regarding the issues of crime and violence. While I agree with the main findings, as well as with its main message of optimism, I think some clarifications are in order about both the findings and the policy implications.

One first point has to do with the novelty of the main claim made in the chapter, namely, the nonexceptional nature of Latin American violence rates once crime fundamentals are taken into account. A similar finding is reported by Fajnzylber, Lederman, and Loayza (2002) in their study about the cross-country determinants of the homicide rate. These authors estimate a dynamic panel for a sample of countries, and show that, after controlling for the average per capita income, the growth rate, the educational attainment of the adult population, the level of inequality, and the arrest rate, a Latin American dummy variable is nonsignificant. Again, the evidence indicates that mean levels of violence in Latin America are not different from what should be expected given this region's economic, social, and law enforcement characteristics.

It is worth pointing out that Fanyzlber, Lederman, and Loayza (1998) use a different methodology to reach the same conclusion. They do not rely on estimated elasticities to build a simple counterfactual (what would the violence and crime levels in Latin America be had this region had the social and law enforcement characteristics of a typical developed country?). They use instead a regression framework in order to show that, once the main characteristics are controlled for, the actual violence levels observed in Latin America are normal.

My second point has to do with the issue of crime dynamics and (in particular) with the issue of ascending spirals of crime that are common in many places of Latin America. The point is simple: the linear extrapolation

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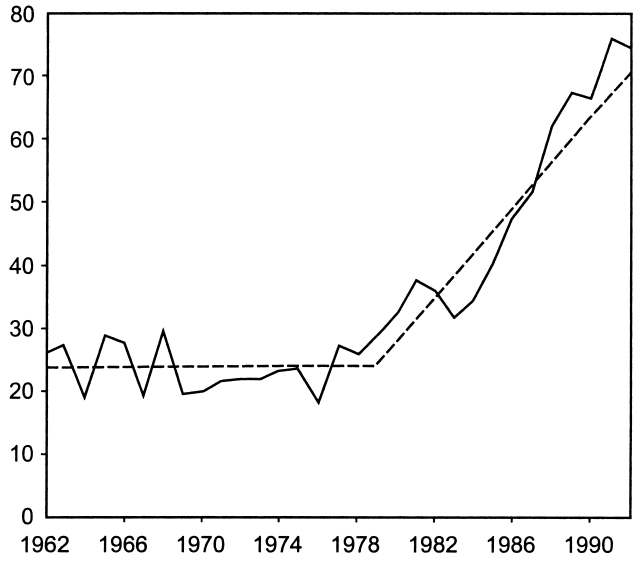

Fig. 1C.1 Homicide rate in Colombia, 1962–1994

used in the chapter is not adequate to account for explosive dynamics of violent crime. Sometimes crime fundamentals are insufficient to comprehend the punctuated evolution of crime and violence. One example suffices to illustrate this point. Figure 1C.1 shows the evolution of the homicide rate in Colombia in the period 1962 to 1994. The homicide rate went from 22 homicides per 100,000 residents in the late seventies to almost 80 in the early nineties.

Gaviria (2000) summarizes the main mechanisms underlying the escalation of homicide rates in Colombia. Crime fundamentals have little to do with it. Inequality did not change much during the period. Incarceration rates and the relative size of police force also remained unchanged. The explosive dynamic was triggered by the cocaine trade and in particular by the emergence of Colombia as the main exporter of cocaine to the United States. However, this is only part of the story. In Colombia, violence fed into itself. Violence made violent crime more appealing by congesting the law enforcement system and hence lowering the probability of punishment. Besides, the interaction of career criminals and local crooks speeds up the diffusion of criminal know-how and criminal technology. Finally, the daily contact of youth with criminal adults and criminal peers resulted in the erosion of morals and hence in a greater predisposition toward crime. As a result, a specific crime shock was greatly amplified.

This example is relevant because it shows that large deviations from the level of violence dictated by crime fundamentals are quite possible. In the

same vein, the Colombian case indicates that an understanding of crime waves requires a thorough description of the mechanisms though which violence begets violence. This point is not a minor one since, as mentioned earlier, crime waves are common in many places in Latin America in particular and the world in general.

My third point is almost a mirror image of the previous one. The point is related to the well-known nonlinear prediction bias. The elasticities used in the chapter, based on data from the United States, probably underestimate policy responses in communities with high levels of crime. The case studies presented at the end of the chapter suggest that *normal* elasticities do not apply in the most successful policy interventions. In many cases, the responses went well beyond what should be expected given the estimated elasticities. Successful policies are not only about substantial changes in crime fundamentals. They are mainly about *big* responses to smart policies. In other words, successful policies often imply substantial crime multipliers.

While the simple arithmetic presented in section 1.6 of the chapter suggests that changes in law enforcement variables can by themselves have a substantial effect on crime, the case studies presented in section 1.7 suggest that these changes are most successful if accompanied by interventions in other dimensions: "citizen culture," justice, restrictions on alcohol sales, and so forth. Put differently, the arithmetic of section 1.6 shows that there is ample scope for action, and the examples of section 1.7 show that action is often more complex than simply increasing the size of the police force or raising incarceration rates.

Figure 1C.2 shows the dramatic decline of the homicide rate in the city of Medellin. In 1990, Medellin was the murder capital of the world: the recorded homicide rate was then close to 400 per 100,000 residents. During the early nineties, homicides decreased substantially following the decline of Medellin in the cocaine trade but it still remained very high. Recently, however, the homicide rate plummeted. What happened? More and better policing is a good part of the story. But it is not the whole story. Big libraries and new schools were built in the most violent areas of the city. Public transportation was greatly improved. Educational programs for youth at risk were implemented (Bastidas 2007). While it is difficult to tease out the effects of the different elements of a complex (and an ongoing) strategy, it cannot be argued, in the absence of further evidence, that these other elements do not play an important role.

My last point is also related to the previous one. Any discussion about the fundamental factors that determine the levels of crime and violence cannot avoid the issue of illegal drugs. Fanyzlber, Lederman, and Loayza (1998) show that, after controlling for social and law enforcement characteristics, a dummy variable designating drug-producing countries is significant. Needless to say, illegal drug trade is an important determinant of crime and vio-

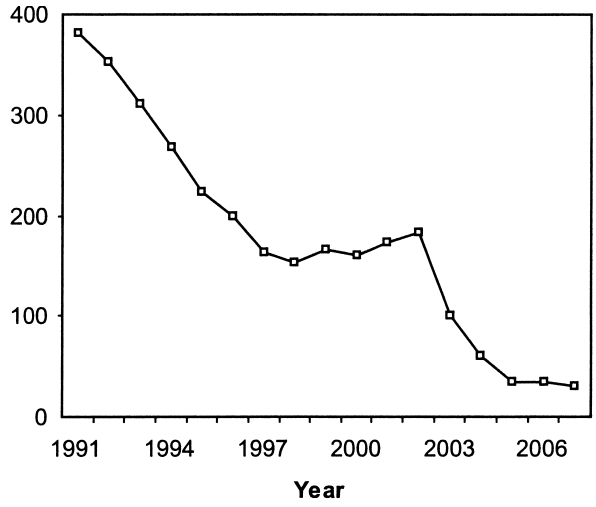

Fig. 1C.2 Homicide rate in the city of Medellin (Colombia), 1990–2007

lence. Drug trafficking *directly* increases violence through their murderous activities. At the same time, drug trafficking *indirectly* increases violence through several channels: congestion of law enforcement, knowledge spillovers, and cultural change.

Given this, policies aiming at reducing violence in Latin America must necessarily deal with the problem of drugs (and the problem of the drug trade in particular). However, references to this problem are conspicuously absent from the chapter. If the drug trade is widespread, increasing the number of police officers or putting more criminals into prison will not reduce violence, as illustrated by recent events in Mexico. Put succinctly, the drug trade is another crime fundamental.

To conclude, it is important to reiterate the main message of the chapter: Latin American countries are not exceptional in terms of violent crime once fundamentals are taken into account. This fact suggests that there is ample scope for action, that there is much that can be done to reduce violence and crime in the region. In light of the evidence, law enforcement variables are a good place to start. But policies should go beyond the simple recipe of increasing the police force and building more prisons.

Seemingly, a combination of policies is required. At a general level, crime and violence prevention needs to combine different approaches, not only related to criminal justice, but also to public health, conflict resolution, and community-driven development (UNODC and World Bank 2007). As mentioned in the chapter, the combination of repressive measures with social support programs has been quite successful in some Latin American cities. The main challenge faced by academics and policymakers is to understand

completely the mechanisms whereby these cities are leaving behind a legacy of violent crime.

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