

Security Dominates Concerns in Latin America

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An estimated 130,000 people protested in the streets of Buenos Aires on April 1 this year demanding that the authorities do more to assure public safety. The demonstration grew out of the kidnapping of the 23-year-old son of an Argentine businessman, Juan Carlos Blumberg, who was held for ransom and then murdered. The gathering was started by a single, grieving parent and then grew spontaneously into a mass movement. In addition, some 5 million Argentines have signed a petition supporting Blumberg in his demand for institutional changes to strengthen public safety.

A few months later, on Sunday, June 27, a crowd estimated at more than 200,000, marched through the main streets of Mexico City to the Zócalo, the central square in front of the national palace, chanting “Enough already” to the violence, burglaries, aggravated assaults, kidnappings, and murders. These were mainly middle- and upper-income Mexicans who dressed in white for the occasion. Protest marches against crime and murder took place in other Mexican cities on the same day.

The sentiment that prompted the demonstrations in these two large Latin American cities is echoed across the hemisphere. The *favelas* in Rio de Janeiro have become largely off limits to the police because of the danger involved when they enter and are then outgunned by the residents. Because of police inadequacy, the Brazilian Senate passed legislation calling for the deployment of military forces to combat crime and violence in the country. Leaders of the armed forces oppose being used to protect domestic public safety because this detracts from their main purpose of defending the country against foreign aggressors, but to no avail because the army has been deployed from time to time in the country’s large cities. By the end of military dictatorship of 1964 to 1985, public clamor was for the military to attend to its traditional duties, but the civic violence is changing many public minds in favor of army patrols to protect their safety.

A need for greater public security ranks higher in public polls in large cities than reducing poverty. First things first. The wealthy in Latin American cities seek to protect themselves

in gated communities, or houses with high fences topped with razor-sharp metal and pieces of glass and protected by fierce dogs, and with the use of personal bodyguards when they move about. These are not options open to the poor. There are calls for the death penalty in places where this has long been anathema.

The police are distrusted. They are underpaid all across Latin America and often collude with criminals to augment their incomes. Because of this public experience, many crimes are not reported; why report to those who helped carry out the crime? There is thus substantial understatement of the incidence of crime. Based on what is reported, Latin America and the Caribbean rank considerably higher in serious crimes, particularly major robberies and intentional homicides, than any other region of the world. Crime rates differ by country—for example, the homicide rate per 100,000 population was about 17 in Mexico compared to 2.9 in Chile in the 1990s—and regional averages can thus misrepresent the situation in any given country.

A World Bank study sought to estimate the economic costs of crime in Latin America using the following variables as the determinants of crime rates: GNP per capita as a proxy for overall development; years of schooling as a measure of education; GDP growth rate, as a proxy for employment and economic opportunity; and the Gini coefficient to measure the inequality of income.¹ There are obviously other variables, such as narcotics traffic, guerrilla activities, and a sense of government corruption, but these may be captured in the data used. The study’s conclusion was that economic growth and income inequality are robust determinants of violent crime rates. These two variables, plus past crime rates, worked well as explanatory variables for homicides and robbery rates. The authors also note that underreporting in developing countries can be quite severe.

A study at the Inter-American Development Bank a year earlier estimated that the social costs of crime, including what the authors called “intangibles,” amounted to more

¹ Pablo Fajnzylber, Daniel Lederman, and Norman Loayza, “Crime and Victimization: An Economic Perspective,” a World Bank Discussion Paper (June 2000).

than 14 percent of GDP.² These numbers are not precise—because of underreporting, the use of proxies to estimate actual data, and the fact that the calculations are four to five years old and public safety may have deteriorated since they were made—but they do reflect the reality that violence has horrible societal effects and seriously impedes economic development.

The foregoing discussion is descriptive, but for a policy institution like CSIS, prescriptive suggestions on how to deal with the problem of civil violence are more relevant. The best way to ameliorate violence is to raise GDP growth rates over a sustained period and then distribute the benefits of this economic growth equitably. This is not new, indeed, it has been assumed for decades. In addition, higher growth and better income distribution, even if achieved, will not solve the violence problem for the foreseeable future. It's like telling migrant-sending countries that there will be no emigration if people don't leave. But emigration countries have become immigration magnets quite rapidly in recent years in such countries as Spain, Italy, and Ireland. Using the logic that brought about this change, sustained growth and economic opportunity should be able to transform violent societies into relatively tranquil ones rapidly.

Wealthy Mexican business people provided a reported \$4.3 million to the firm of the Rudolph Giuliani, Giuliani Partners, to provide a blueprint for doing in Mexico City what the ex-mayor did in New York City—that is, reduce crime. Giuliani's consultants made some 20 trips to Mexico City before presenting a report last August. The document contains 146 recommendations, and its goal is to reduce crime by 10 percent in each of the last three years of the current Mexico City administration (i.e., in 2004, 2005, and 2006).

Mexican critics greeted the report with much scorn. Among the recommendations are for crackdowns on squeegee men and children performing magic tricks in the streets. Mexico City has some 20,000 homeless children, and about half the population is either underemployed or without formal work. What will they do if they can't hustle on the streets in sometimes annoying but relatively harmless ways? Who will act to punish them for these minor infractions if the police can't be trusted? Other than to create an appearance of orderliness, what do these measures do to reduce *mordidas* (little bites, or bribes) and wholesale corruption that has typified Mexico? Police could be paid more, and in theory, this would reduce one incentive for corruption, but where will the funds come from? Will they be taken from education? The argument of the skeptics of the Giuliani proposal is that what worked in New York may have little relevance for the far more impoverished population of

Mexico City. The naysayers may be wrong about the effects of the Giuliani recommendations taken as a whole, but my suspicion is that we will never know because the head of the Mexico City government, José Manuel López Obrador, did not greet the report with much enthusiasm.

My conclusion is that meaningful reduction of violence in Latin American cities will take time and require the standard remedy of steady growth of incomes and economic opportunities. Modest ameliorative measures are possible in the transition, such as a reduction of public corruption (which is not easy to accomplish) and greater attention to reducing deep inequalities in income and education (which may be even harder to accomplish because of entrenched privileges). Greater equality before the law would help immensely, as would an end to impunity when influential people are caught committing crimes. Observers have been saying this for years, but there has been little action. In the end, a significant and lasting reduction in violence in Latin America will be the result of better development policies. This is a form of cop-out because it offers little hope for the here and now.

I feel much sadness in the conclusion expressed above. The Latin American country I know best is Mexico, and a largely gentle people are being transformed into brutishness. Recent polls in Latin America indicate much disillusion with democracy and a growth in the belief that a return to authoritarianism would be preferable to democracy to correct the current situation. People tend to forget the violence that accompanied past dictatorships in countries such as Chile under Pinochet and Argentina under the military—or the brutality of Mexican police during the years of one-party authoritarianism. On the other hand, many Peruvians remember with approval the ability of Fujimori, with his strong hand, to deal effectively with internal guerrilla movements.

The current situation is a mixture of widespread public dissatisfactions because of high levels of poverty and inequality, the lack of jobs, little hope for one's future and that of one's children, and the extent of corruption, impunity, and outright crime.

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² Juan L. Londoño and Rodrigo Guerrero, "Violencia en América Latina: Epidemiología y Costos," Documento de Trabajo R-375, Banco Interamericano de Desarrollo (Agosto 1999).