

Crime and Inequality in LATAM

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Crime and Inequality

What Do We Know?

Theory

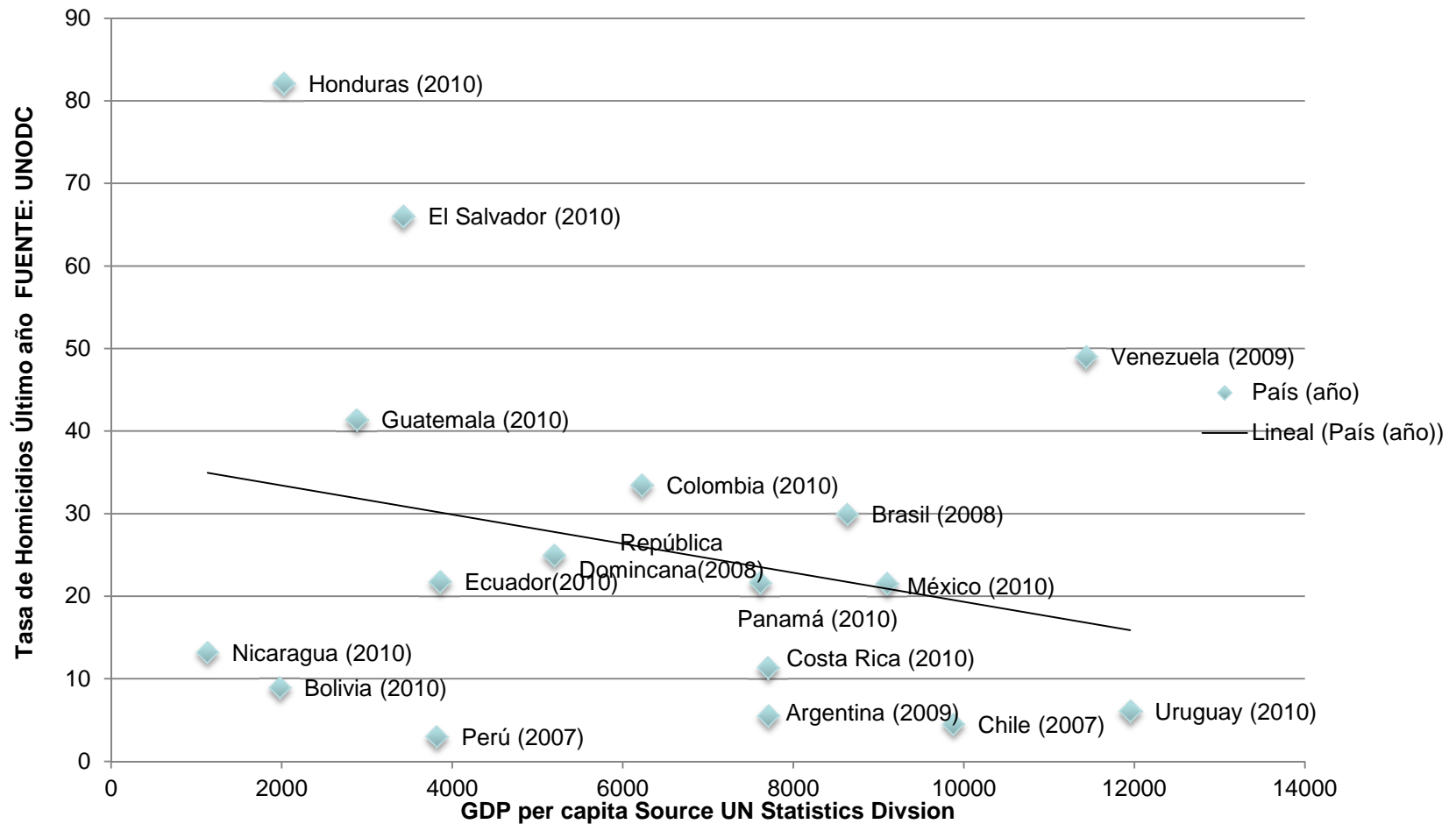
Intuitively inequality leads to high criminality

- Wider gap between rich and poor create incentives for some “innovators” to break the law (Merton and Strain theory)
- Underdeveloped and unequal societies lack strong state enforcement capacities (deterrence theory)
- Uneven societies lack vibrant communities and strong institutions to check for criminal deviants (Community Breakdown and Chicago School)

Evidence, however, is weak

Crime and Growth

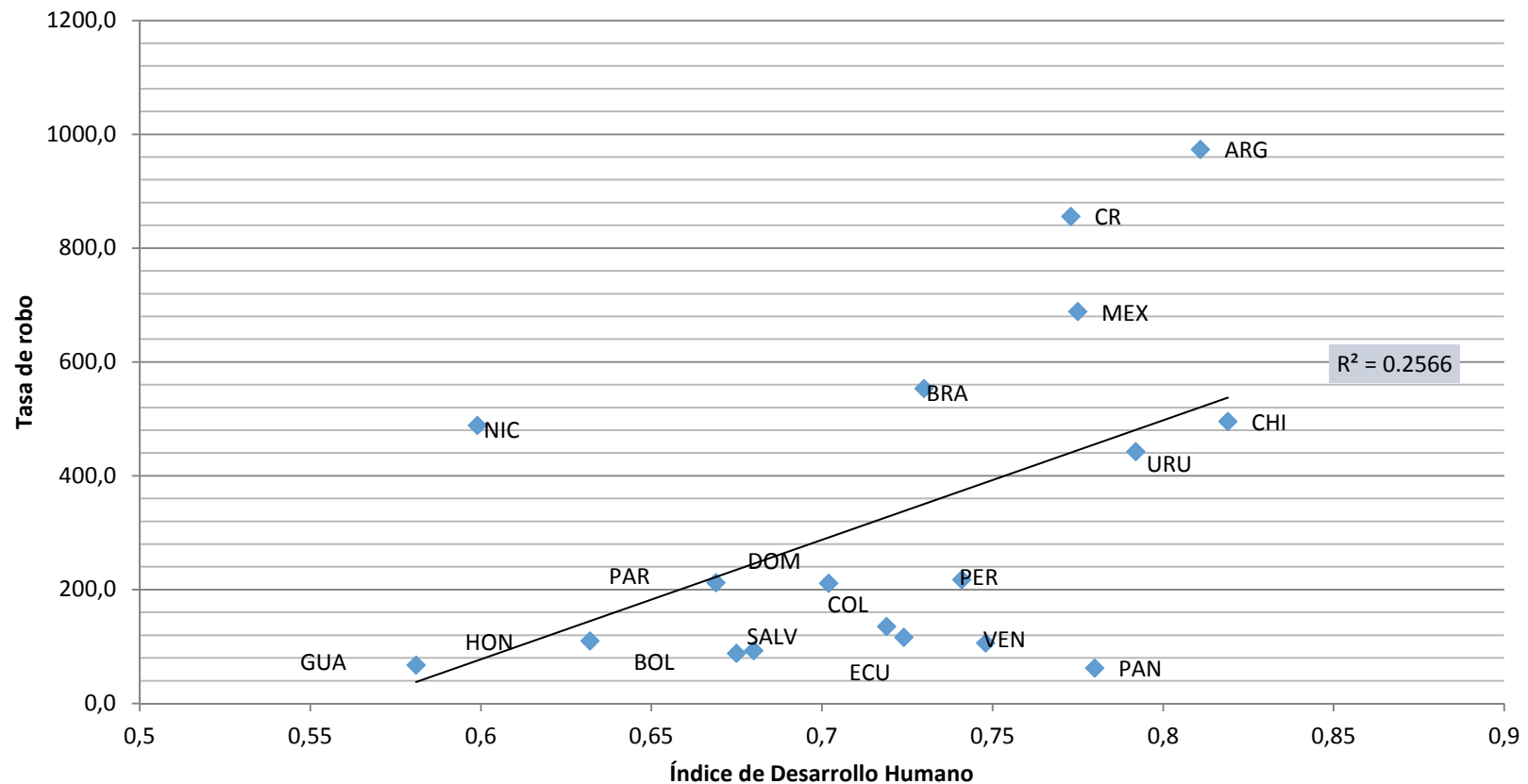
Homicide Rates and GDP per capita



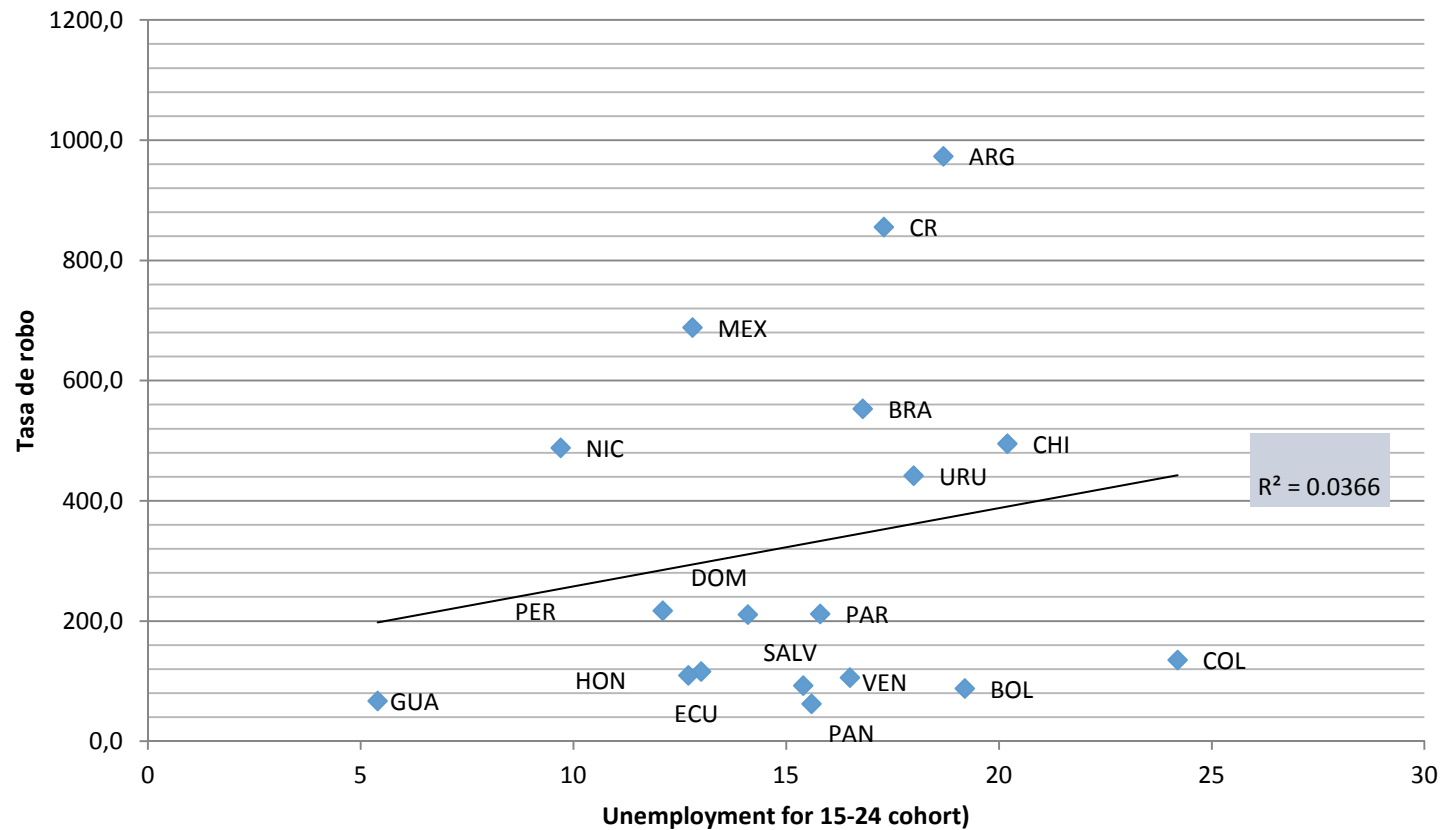
Pearson r for 2005: -0.18, for 2010: -0.45

Crime and Development

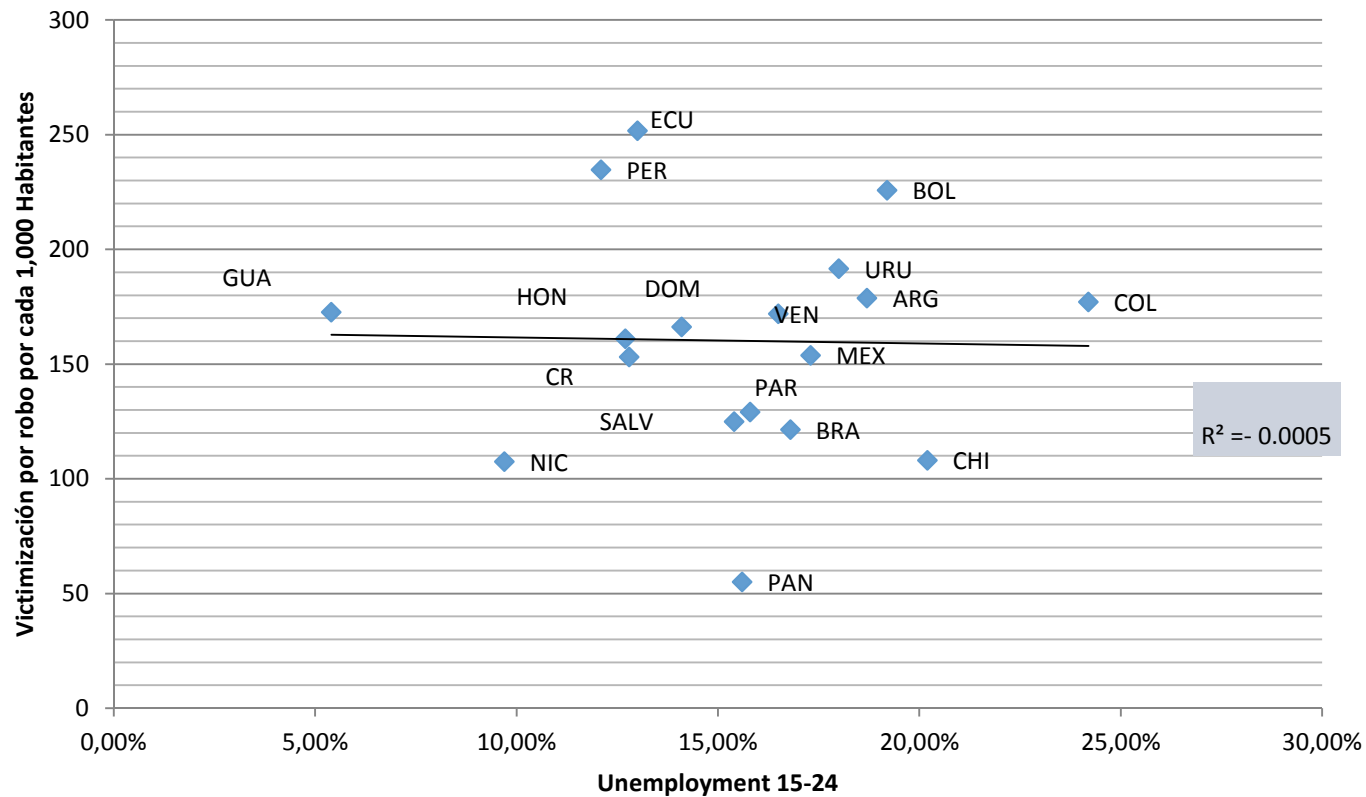
HDI and Thefts have an unanticipated association. Countries with high HDI have higher rates of thefts.



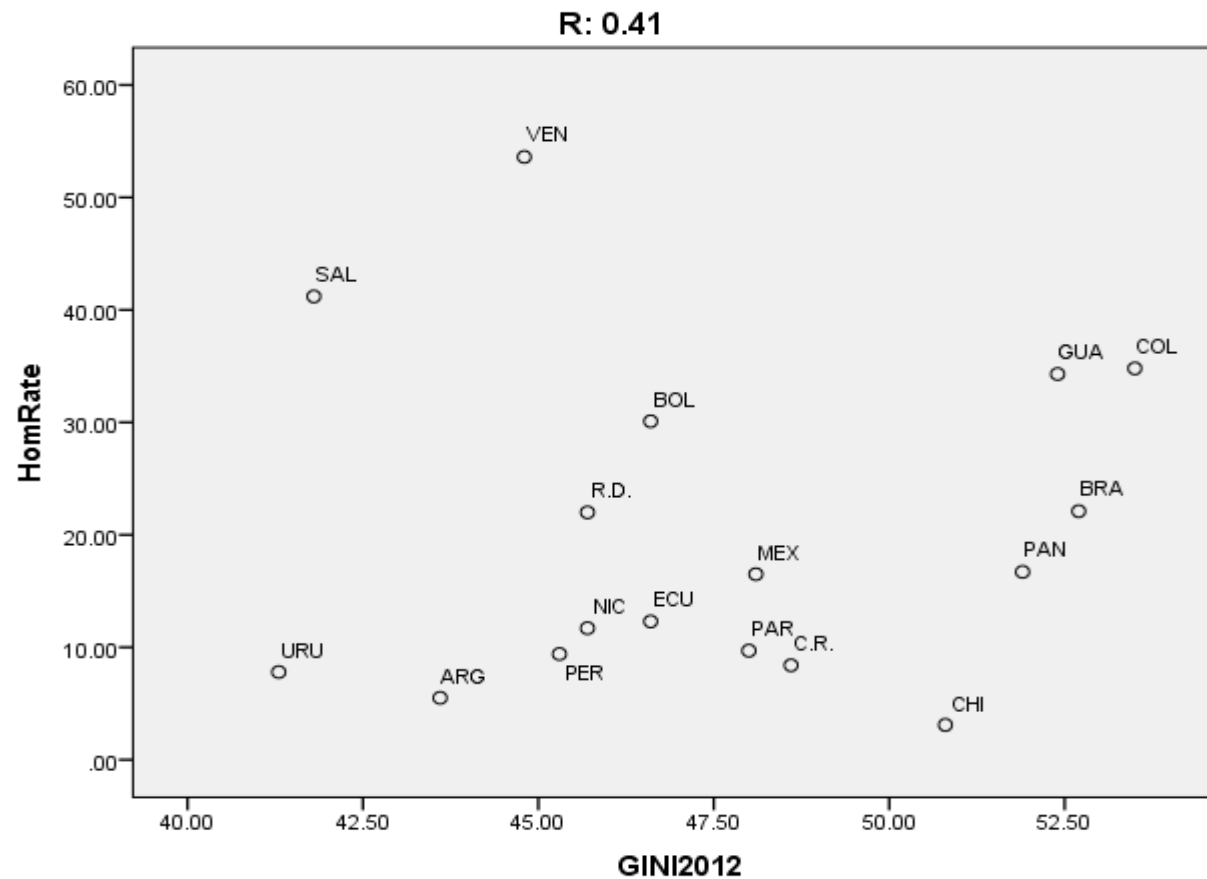
Crime and Unemployment



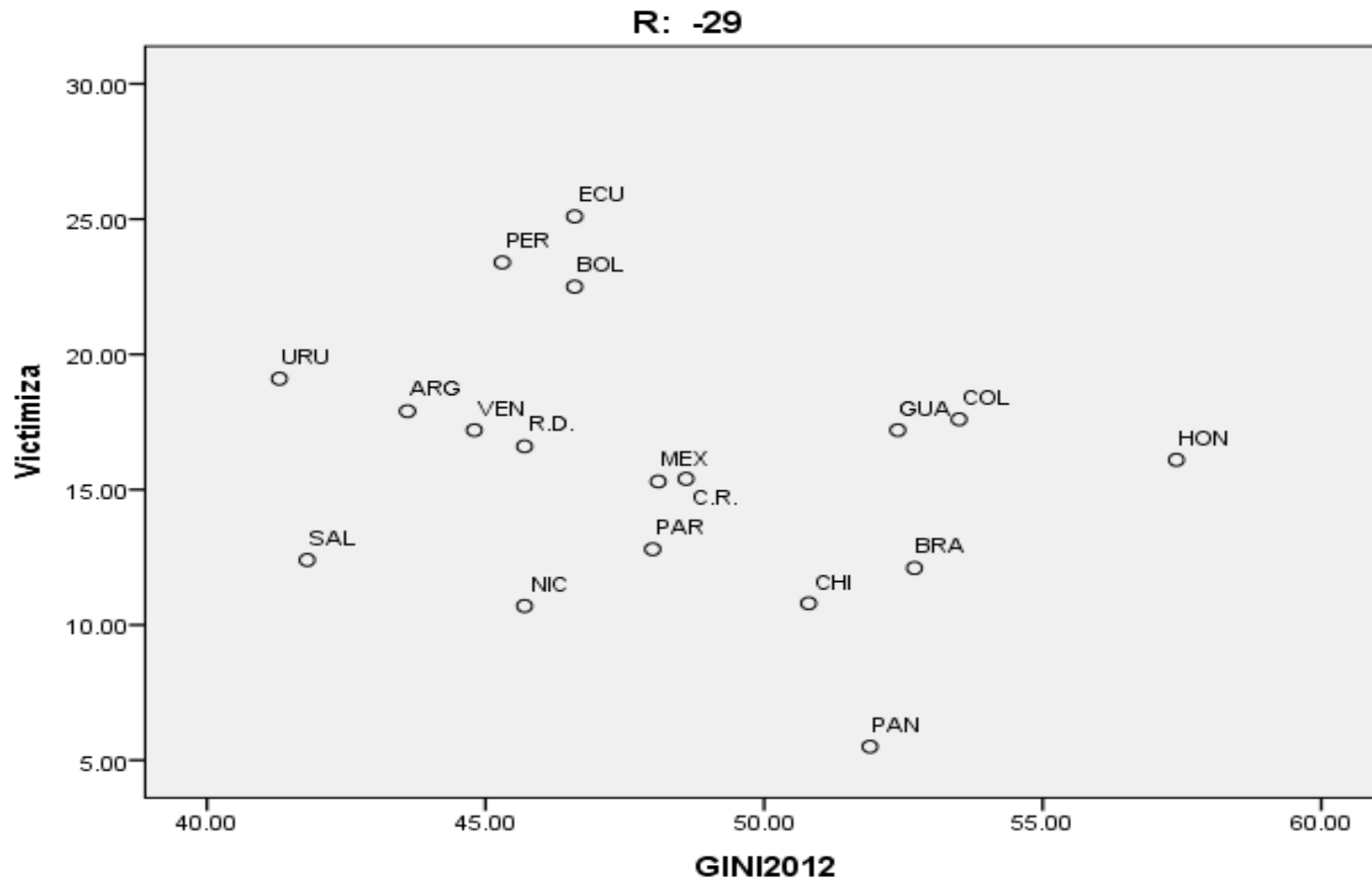
Crime and Unemployment



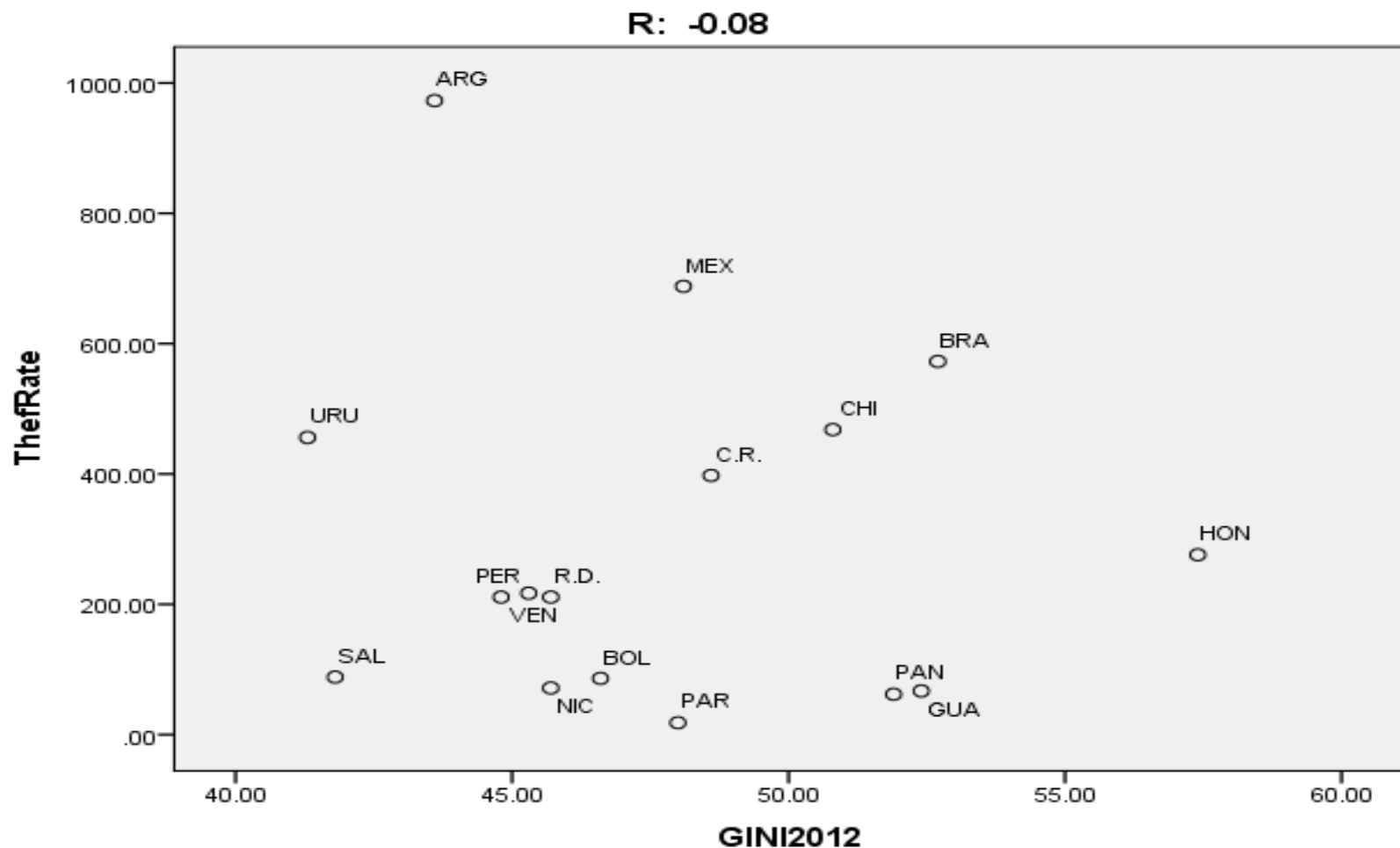
Homicides and Inequality



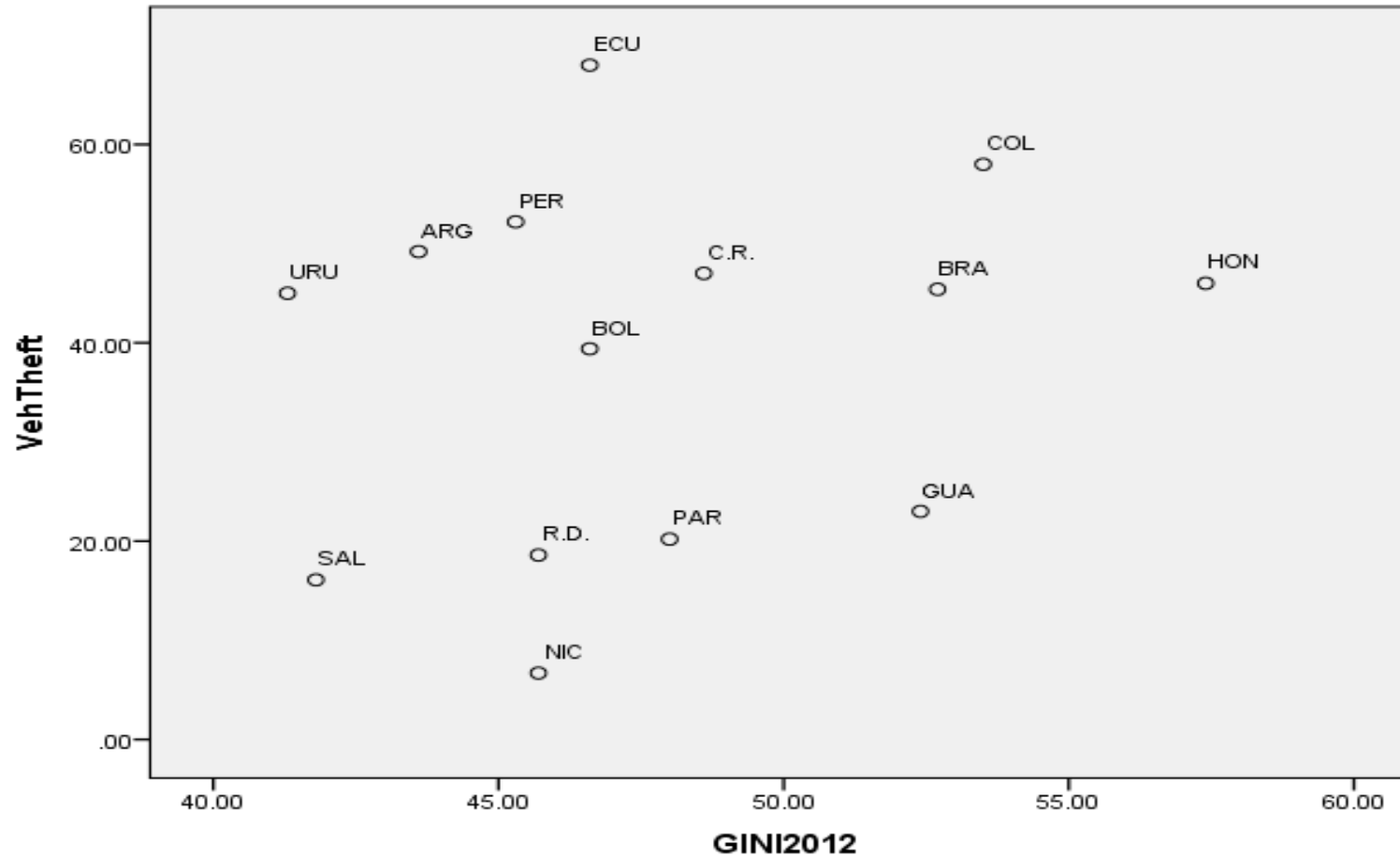
Property Crime and Inequality: Victimization



Property Crime and Inequality: Thefts



Property Crime and Inequality: Auto-Thefts



Crime and Inequality

Año	Coefficient Gini-Thefts
1998	-0.706
2000	-0.93
2001	-0.649
2002	-0.503
2003	-0.343
2004	-0.492
2005	-0.729
2006	-0.588
2007	-0.482
2008	-0.418
2009	0.388
2010	-0.264

País	Bolivia		Costa Rica		Honduras		México		Perú		Panamá	
Año	Robos	GINI	Robos	GINI	Robos	GINI	Robos	GINI	Robos	GINI	Robos	GINI
2002	-	59.9	757.1	50.7	-	58.9	509	49.7	127.0	55.6	37.0	56.6
2003	-	-	898.2	49.7	-	58.7	505	-	142.0	55.2	48.6	56.3
2004	-	-	883.7	48.7	-	58.5	499	46.1	156.0	50.3	44.2	55
2005	75.3	57.8	916.6	47.6	-	59.7	496	-	163.0	51.1	51.0	54
2006	74	56.4	971.9	49.1	-	57.6	519	48.1	163.0	50.9	37.4	55.1
2007	88	57.4	928.3	49.3	-	56.2	577	-	146.0	51.7	47.1	-
2008	96.8	56.3	924.3	48.9	-	61.3	615	48.3	149.0	49	48.7	-
2009	86.3	-	1019.1	50.7	-	57	632	-	167.0	49.1	52.9	52
Correlación	-0.346		-0.146		-		0.195		-0.783		-0.67	

Source: Own elaboration with UNDP data and World Bank Indicators

Crime and Inequality

Intriguing Evidence

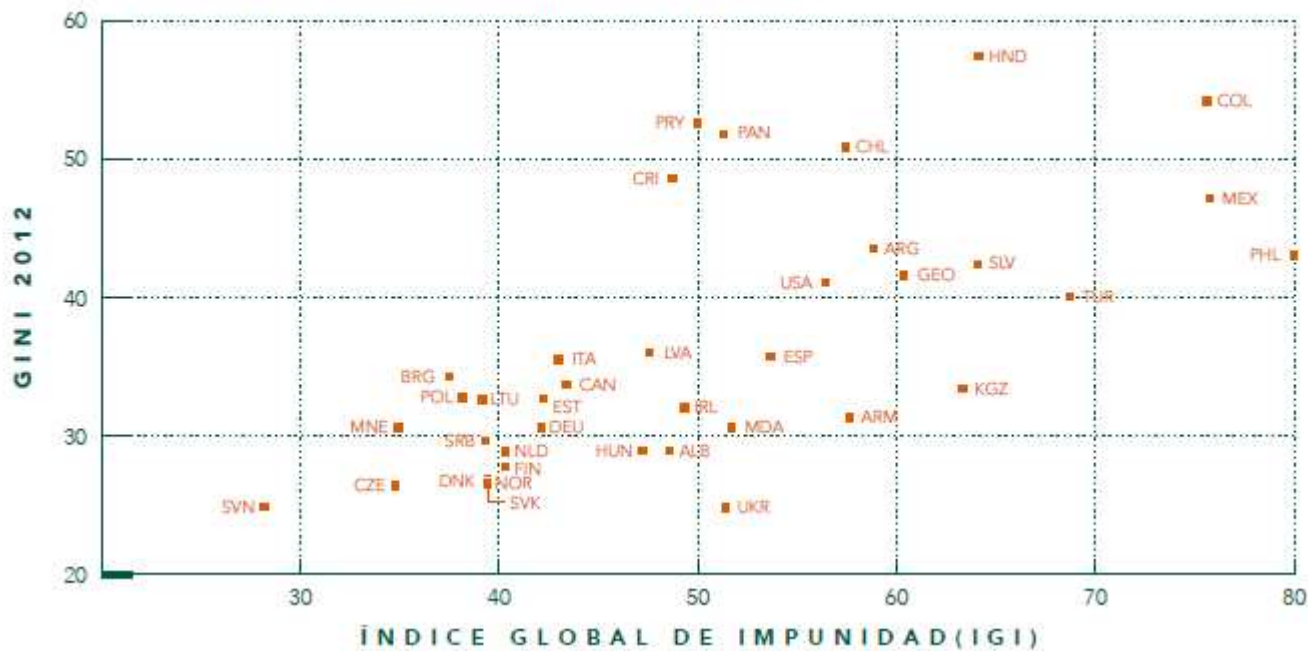
Impunity and Development

Gráfica 7. Índice Global de Impunidad vs. IDH 2012

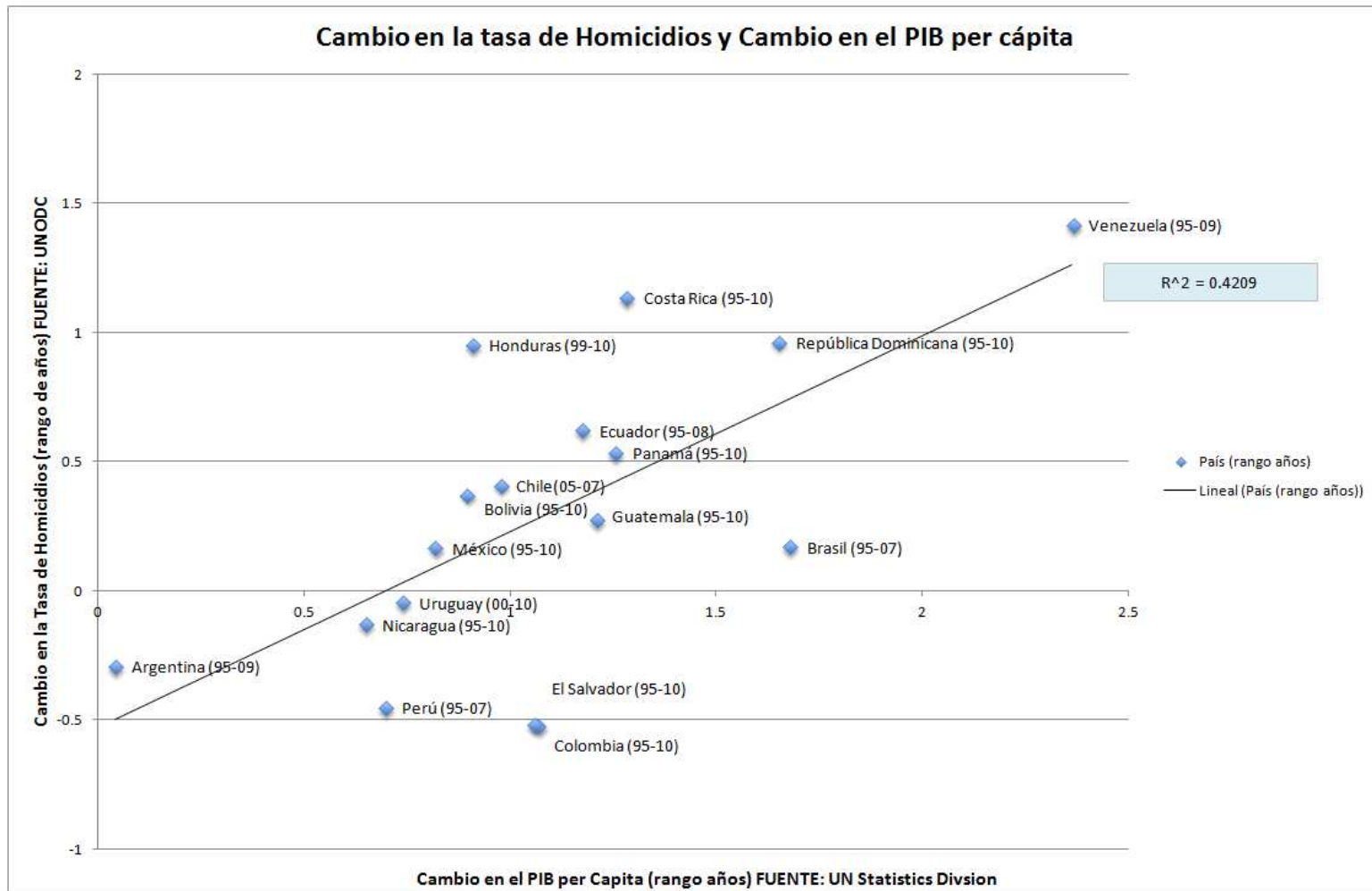


Impunity and Inequality

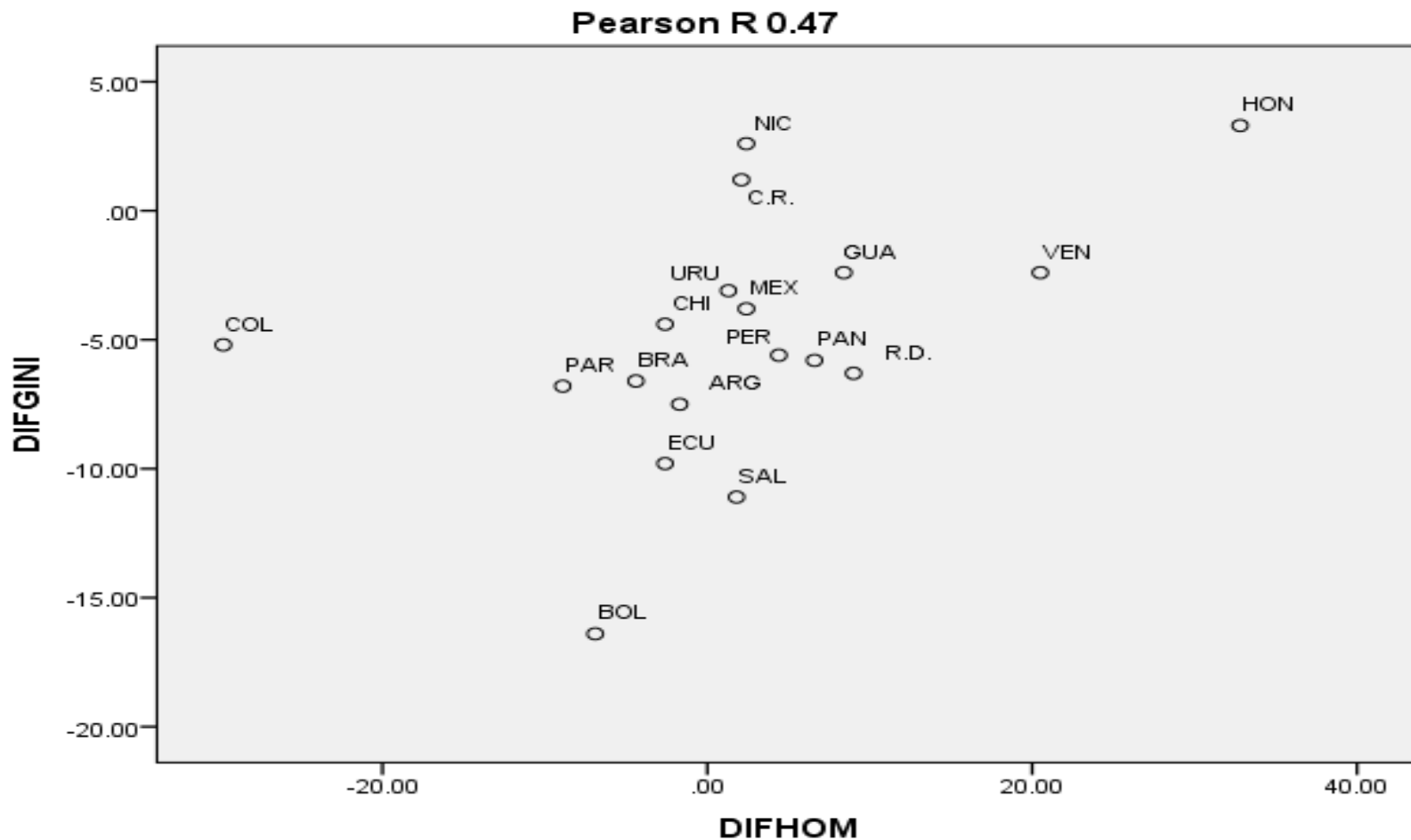
Gráfica 5. Índice Global de Impunidad vs. el GINI 2012



Changes in Homicide and GDP



Homicide and Inequality Change



Changes in Homicide and Inequality

Countries	GINI 2000-2012	Dif Hom 2000-2012
ARG	-7,5	-1,7
BOL	-16,4	-6,9
BRA	-6,6	-4,4
CHI	-4,4	-2,6
COL	-5,2	-29,8
C.R.	1,2	2,1
ECU	-9,8	-2,6
SAL	-11,1	1,8
GUA	-2,4	8,4
HON	3,3	32,8
MEX	-3,8	2,4
NIC	2,6	2,4
PAN	-5,8	6,6
PAR	-6,8	-8,9
PER	-5,6	4,4
R.D.	-6,3	9,0
URU	-3,1	1,3
VEN	-2,4	20,5
Pearson r		0,46

Crime and Inequality

New Evidence: What States Do

Value of Offense that Resulted in Conviction (in US\$)

		Value of Theft	Value of Drug	Value of Ransom (kidnapping)
Argentina	Mean	12,912.76	39,585.95	55,290.59
	Median	2,546.74	1,320.53	10,823.65
Chile	Mean	23,532.08	40,919.17	86,058.21
	Median	2,107.55	3,512.58	80,078.78
Brazil	Mean	30,601.56	40,429.60	38,876.68
	Median	2,889.69	343.24	22,203.65
El Salvador	Mean	466.42	863.99	2,075.35
	Median	34.95	16.69	959.96
Mexico	Mean	14,681.28	137,768.67	267,757.59
	Median	878.95	311.67	18,926.63
Peru	Mean	36,131.43	328,040.49	3,888.30
	Median	692.78	1,800.00	1,800.00
Total	Mean	20,746.13	103,897.37	153,983.64
	Median	1,273.37	429.06	7,570.65

Source: Own elaboration from Inmate Surveys

Q: What is the amount (in today's currency) the authorities claim you made (from robbery, drug sale or kidnapping) or attempted to make? (Amounts were converted to U.S. dollars at the current exchange rate)

Share of Inmates Guilty of High Value Crimes (HVC) Within Each Country

	Argentina	Chile	Brazil	Mexico	Peru
% of more than 10K	23.2	29.7	24.8	21.5	15.5
% more than 100k	4.1	6.9	6.5	3.4	3.2

Source: Own elaboration from inmate surveys

For Drugs:

- Inmates Convicted for drug transactions over 100,000: **1.2%**
- Inmates Convicted for drug transactions over 10,000: **14%**

Value of Drug Transactions Six Months Before Arrest

	Argentina	Brazil	Chile	El Salvador	Mexico	Peru
Promedio Mensual de ventas en dólares (mediana entre paréntesis)	177,372 (1273)	32,889 (6435)	74,951 (5110)	2,101 (69)	26,246 (14626)	497,555 (402)

Source: *Inmate Surveys*

P: ¿Y cuál era el valor promedio de esas operaciones en un mes?

Profile of offender groups by type of crime committed

	Drug Crime	Theft	Homicides	Sex crimes	Other
% of inmate who attended secondary school	68.8	59.8	55.0	49.4	68.2
% of inmates who had jobs one month before arrest	71.2	84.0	75.2	93.8	84.4
% who left home before turning 15 years old	30.1	44.8	37.2	28.5	38.4
Average income over last month activity (legal and illegal (in US\$))	670.4	497.1	427.3	481.93	348.25

Criminal-Court Cases: Initial Evidence from the Penal Process

	State of Mexico	Buenos Aires
<u>Number of Penal Courts (Initial Stage and Trial Phase)</u>	265	74
Yearly number of cases	250,000	45,000
Cases never reach sentence	79%	85%
Cases with guilty conviction at early stage	17%	11%
Full trial	2.5%	1.8%
Guilty sentences at trial	91%	87%
Median (in U\$) of reported value of crimes (after initial screening- aprox 50% of total cases)	258.00	321.00
Cases above 50K	2 x1000	3 x 1000
Population	18,000,000	3,100,000

Criminal-Court Cases: Initial Evidence from the Penal Process

	Drugs	Other Crimes Mex	Other Crimes Arg
<u>Main evidence:</u>			
Testimonial	85%	83%	78%
Documental	11%	15%	19%
Expert - forensic	4%	2%	3%
Arrest in flagrante	81%	85%	71%
Public Defender submitted supporting evidence	12%	4%	8%
Pre Trial Detention	85%	87%	81%
Crime Value below 4K	97%	95%	92%
Guilty sentence	91%	91%	87%
Number of cases	126	15,412	1389

Drug Related Crimes Processed by Courts

Countries	N Sentenced Inmates	% of Inmate Population	Year	Inmates population x100,000
Argentina	7123	12	2011	149
Bolivia	2686	24	2011	130
Brasil	138198	25	2012	273
Chile	n.a.			265
Colombia	24546	22	2013	241
Costa Rica	3285	24	2012	309
Ecuador	5509	34	2011	135
El Salvador	2011	8	2013	430
Guatemala	482	4	2011	100
Honduras	1227	10	2011	137
Mexico	38145	17	2011	201
Nicaragua	n.a.			146
Panama	3395	23	2012	384
Paraguay	175	2	2012	119
Perú	14204	23	2012	201
Rep. Dominicana	6002	27	2011	241
Uruguay	1167	12	2012	277
Venezuela	13880	28	2011	161

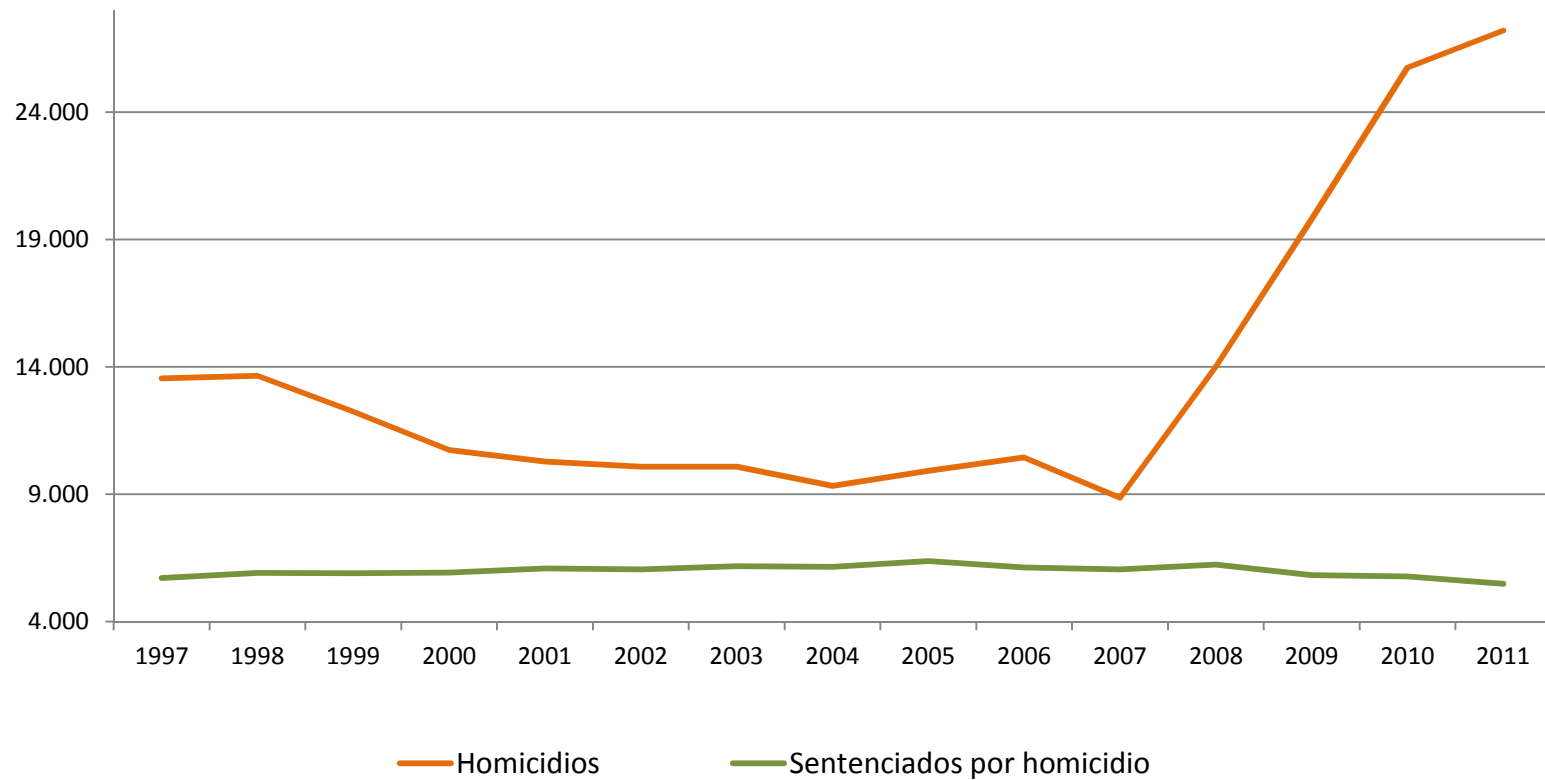
Source: OEA -
Alertamerica

Prison Growth in LATAM

Number of inmates

Countries	Circa 2002	Circa 2012	Dif (%)
ARG	41008	61192	49
BOL	6065	14771	144
BRA	239345	548003	129
CHI	36416	45960	26
COL	52936	113884	115
C.R.	6571	14830	126
ECU	8723	23178	166
SAL	11055	26486	140
GUA	8100	16877	108
HON	11502	12263	7
MEX	165637	230943	39
NIC	5109	8846	73
PAN	10423	14990	44
PAR	4519	9332	107
PER	27417	61390	124
R.D.	8723	24744	184
URU	5630	9829	75
VEN	19368	48262	149

Homicides and Impunity in Mexico



Source: INEGI