Crime and Violence as Development Issues in Latin America and the Caribbean

Robert L. Ayres
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INTRODUCTION:
THE PAPER’S APPROACH

CRIME AND VIOLENCE throughout Latin America and the Caribbean have moved to the forefront of attention for both policy-makers and the public.\(^1\) They constitute a human tragedy of rapidly growing dimensions. They are a violation of fundamental human rights. And they have enormous social costs. This paper, however, discusses another aspect of the region’s recent epidemic of crime and violence: the implications for growth and development.

Sustainable economic growth and the reduction of poverty are the fundamental development objectives of the region, and the World Bank’s assistance is geared to help countries meet them. To the extent, therefore, that crime and violence impede the realization of these objectives, they constrain the effectiveness of the Bank’s efforts as well as those of the countries themselves.

Much has been written on crime and violence as they relate to illegal drug use and narcotics trafficking in the region, and there is even a tendency to equate the crime and violence problem with the drug problem. This is not, however, the primary focus of this paper. Apart from the obvious fact that illegal drugs constitute a much greater problem in some countries than in others, thus making generalizations difficult, the view adopted here is that they are part of a larger problem of economic and social decay and not the prime cause. It is incontestable, however, that the increasing prevalence of illegal drugs and the perceived rewards from narcotics trafficking make all efforts to combat crime and violence considerably more difficult.

After an assessment of the current incidence of crime and violence in the region, the ensuing discussion highlights some of the key relationships between crime, violence and development. It then focuses on a number of policy areas that demand greater attention if the adverse effects of crime and violence on development are to be prevented or mitigated. In doing so, however, there is no pretense of exhaustively treating the subject—a subject that is enormously complex in its causes and solutions, is fraught with cultural, political and social dimensions, and has successfully eluded the best efforts of scholars and practitioners to get a definitive handle on it.
REGIONAL DATA ON CRIME AND VIOLENCE

IN SEEKING TO ASSESS the extent of crime and violence and its increase in the region in recent years, we confront an immediate problem: The data are grossly inadequate. The reasons include severe underreporting by victims, the lack of systematic survey data, and the deficiencies of the statistical agencies reporting on the incidence of crime and violence. Thus, the first priority on the emerging agenda for dealing with crime and violence in the region is the need to enhance the knowledge-base about the nature, extent and evolution of these pathologies.

Despite these formidable obstacles, it is necessary to make use of what data exist in order to get a better grasp of the problem in Latin America and the Caribbean. Accordingly, Table 1 presents data on homicide rates. In reviewing them, however, bear in mind that the data undoubtedly understate the real magnitudes.

The regional homicide rate is about 20 per 100,000 inhabitants, which makes Latin America and the Caribbean the most violent region in the world. Although there is substantial inter-country variation, the regional rate is about twice the rate in the United States. Colombia has the dubious distinction of placing first in homicide rates among the countries of the world, with a rate that has continued to acceler-

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Table 1: Homicide Rates per 100,000 Population

<table>
<thead>
<tr>
<th>Country</th>
<th>Late 70s/ Early 80s/ Early 90s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colombia</td>
<td>20.5/89.5</td>
</tr>
<tr>
<td>Brazil</td>
<td>11.5/19.7</td>
</tr>
<tr>
<td>Mexico</td>
<td>18.2/17.8</td>
</tr>
<tr>
<td>Venezuela</td>
<td>11.7/15.2</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>2.1/12.6</td>
</tr>
<tr>
<td>Peru</td>
<td>2.4/11.5</td>
</tr>
<tr>
<td>Panama</td>
<td>2.1/10.9</td>
</tr>
<tr>
<td>Ecuador</td>
<td>6.4/10.3</td>
</tr>
<tr>
<td>United States</td>
<td>10.7/10.1</td>
</tr>
<tr>
<td>Argentina</td>
<td>3.9/4.8</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>5.7/4.1</td>
</tr>
<tr>
<td>Uruguay</td>
<td>2.6/4.4</td>
</tr>
<tr>
<td>Paraguay</td>
<td>5.1/4.0</td>
</tr>
<tr>
<td>Chile</td>
<td>2.6/3.0</td>
</tr>
</tbody>
</table>
BOX 1

Violence against Women: Some Evidence from Latin American and Caribbean Countries

Data on crime and violence against women are scant and generally unreliable in Latin America and the Caribbean. It is particularly difficult to ascertain the true extent of domestic violence against women. That is why violence against women has been called the "hidden health burden" in the developing world. Nevertheless, a World Bank study located survey data from eight Latin American and Caribbean countries that give a telling indication of the scope of the problem. This was the situation as reported to interviewers:

- In Antigua, 30 percent of women surveyed admitted they had been battered as adults (1990).
- In the Brazilian state of Pernambuco, 415 women were murdered, 70 percent by a male intimate (first eleven months of 1992).
- In Barbados, 30 percent of women surveyed had been abused by a male intimate, with about 26 percent having been subjected to severe violence—i.e., more severe than pushes, slaps or having objects thrown at them (1993).
- In Colombia, 20 percent of women surveyed admitted they had been physically abused, 33 percent psychologically abused, and 10 percent raped by their husbands (1990).
- In Costa Rica, 54 percent of women in a study reported being physically abused (1990).
- In Guatemala, 49 percent of the women reported physical abuse, 74 percent of the time by an intimate male partner (1990).
- In Mexico, about 57 percent of urban women and 44 percent of rural women surveyed reported some form of interpersonal violence (1992), 33 percent said they lived in a violent relationship, and 6 percent had experienced marital rape (1995).


Since 1990 and now approaches 90 homicides per 100,000 inhabitants. Many countries in the region have experienced substantial increases in homicide rates in recent years, including some where such rates were low a decade or two ago.

Most homicides occur on the streets and in neighborhoods and involve males, especially young males, killing other males. In recent years, however, domestic violence against women has attracted increased attention. This is understandable because the incidence of domestic violence throughout Latin America and the Caribbean is appalling. Box 1 reports data from surveys of domestic violence conducted in a number of countries in the region. They suggest that violence against women, mainly in the home but not confined to it, is one of the major social ills of contemporary Latin American and Caribbean society.

Violence against children is also on the rise. One estimate is that 6 million minors in the region are the object of severe maltreatment and 80,000 die each year as a result of injuries caused by their parents, relatives or others. In Colombia between 1991 and 1995, there were 112,000 homicides, of which 41,000 were of young peo-
ple.\(^7\) Children are the cruel victims of the civil wars that have wracked a number of countries in the region. A recent study by the Pan American Health Organization estimates that between 100,000 and 250,000 children in Guatemala lost one or both parents as a result of the prolonged civil war in that country.\(^8\) Some of the consequences of violence against children are lamentable features of the contemporary social landscape in the region, including street children, youth gangs and child prostitution.

One form of violence feeds on another. The various dimensions of crime and violence—common street crimes, homicides, domestic violence, political violence and terrorism, among others—are far from unrelated. With civil war ended, for instance, the guerrilla or terrorist may turn to other criminal and violent outlets. The youth raised in a climate of domestic violence may turn to street crime. The petty street criminal may escalate his activities and commit homicides. Those who have made homicide routine may be the willing foot soldiers for organized crime. We do not yet understand fully these complex inter-relationships, so one of the analytical and policy challenges is to learn more about how and where to intervene to break the vicious circle comprising the various forms of crime and violence.
HOW DO CRIME and violence impede growth and development and contribute to an increase in poverty?

First, crime and violence adversely affect the stock of physical capital in several ways. The most obvious is the outright destruction of physical infrastructure—roads, public facilities (through acts of vandalism), and major installations such as electric-power generating facilities. Beyond that, crime and violence have a negative impact on the overall investment climate. They can contribute to a reduction in investment in physical infrastructure.

An analysis of Colombia concludes that gross capital formation is about 38 percent lower today than it would be if homicide rates had remained at their 1970 level. A World Bank study of Peru concludes that the country's cumulative wealth loss from terrorism was about $25 billion. The stagnation of the tourist industry in some countries (Jamaica is most often cited) is often attributed to the lack of new investment in hotels and other tourist infrastructure caused by increasing crime and violence.

Second, crime and violence erode the development of human capital. Some of their negative effects in this regard are quite direct and obvious. The negative effects on women's health stemming from domestic violence are a clear example. There are also the costs associated with disability and the ensuing absenteeism from work realized by the victims of crime and violence captured by the notion of "disability-adjusted life years."11

In education, there are the direct costs stemming from the inability of children, especially girls, to attend school in a violent climate. A recent World Bank poverty assessment of Jamaica found that 30 percent of girls surveyed said they were afraid to go to school because of the threat of crime and violence. Even if children are able to attend school, there are effects—difficult to measure but real nonetheless—on educational quality when teaching and learning are attempted in an atmosphere of violence. One
recent analysis concluded that the “net accumulation of human capital” in Latin America and the Caribbean had been cut in half because of the increase in crime and violence over the past 15 years. Furthermore, the costs associated with crime and violence—increasing police forces or expanding prisons, for example—can crowd out governmental expenditures on human development.

Third, crime and violence destroy social capital. As defined by Robert Putnam in his groundbreaking work on democracy in Italy, social capital refers to “features of social organization, such as trust, norms, and networks that can improve the efficiency of society by facilitating coordinated actions.” A recent report of the World Bank’s Task Group on Social Development emphasized the importance of devoting greater attention to the contributions that social capital, thus defined, can make to economic growth and development.

But crime and violence have devastating effects on social capital. Norms of trust and reciprocity are replaced by the “war of all against all.” Community-based organizations and other social networks, increasingly deemed as critical for growth and poverty reduction, suffer attrition. The World Bank study of poverty in Jamaica concluded that one of the clearest impacts of violence in Jamaican communities is the social fragmentation that results, eroding social capital. Crime and violence have adverse effects on the ability of community members to associate with one another. In many areas, recreation centers, dance halls, youth clubs and sports facilities no longer function because of crime and violence. The study found that the increase in crime and violence makes it increasingly difficult for any sort of community organizations not based on fear and coercion to function.

Fourth, crime and violence vitiate governmental capacity. They do this in a number of ways. The resources that have to be spent on combating crime and violence are very substantial and, in a situation of constrained public resources, often come at the expense of resources that should be spent for development purposes. In addition, crime and violence directly and indirectly contribute to corruption within agencies of the public sector. As people turn to private security forces for protection, the state is increasingly seen as ineffective in providing basic services and thus as irrelevant or illegitimate.

The results are twofold: a reduction in growth and an increase in poverty. While quantitative data illuminating the economic consequences of crime and violence are remarkably scant, the few analyses attempted to date suggest that the costs are considerable. Consider data from recent studies on Colombia and Peru:

**Colombia**

- The high homicide rates persisting since the late 1980s are costing Colombia about two percentage points annually in the rate of growth of gross domestic product (GDP).
- The cumulative effect of “lost growth” as a result of crime and violence is such that Colombia would today have a per capita income on the order of 32 percent higher than it currently has.
- Expenditures on protection and the associated indirect costs of crime and violence, plus the direct costs resulting from criminal activity, could be as high as 13 percent of GDP in Colombia.
- Losses from the direct costs of crime and violence in Colombia are about 12 times greater than the net profits of the 50 largest industrial enterprises in the country.

**Peru**

- Approximately one-half of the total fall in per capita income in Peru between 1983 and 1990 may be attributed to terrorist activities.
- The cumulative effect of terrorist activities during the 1980s was an absolute loss of about 20 percent of net income.
**THE CRIME/VIOLENCE/DEVELOPMENT AGENDA: KEY POLICY DOMAINS**

While there is substantial agreement that the effects of crime and violence on growth and the reduction of poverty in the region are negative and are on the increase, there is considerably less consensus on how to address these severe problems.

At the broadest conceptual level, the issue is one of how to alter the incentive structure for those prone to engage in criminal and violent activities. In principle, this question can be addressed through the elaboration of formal economic models that throw light on likely behavioral responses to changes in the configuration of incentives. Nevertheless, there remains disagreement about the relative importance to be accorded efforts to prevent crime and violence through positive incentives (such as reducing poverty, providing employment and offering social services) and negative incentives (such as placing more police on the streets, putting more people in jail and stiffening sentences for those apprehended and convicted). Within each broad category, there is also disagreement over the relative efficacy of different interventions and thus of where to allocate resources at the margin. In short, the possibilities for effective public action to reduce crime and violence in the region are not abundantly apparent.

What follows does not pretend to offer definitive answers to these difficult questions. Rather, it is a preliminary effort to indicate several key policy areas for dealing with crime and violence where the potential for more—and more effective—public action seems large. These policy domains address one or more of the central factors discussed above—that is, they aim to prevent, reduce or reverse the corrosive effects of crime and violence on physical capital, human capital, social capital and governmental capacity. Moreover, their implementation can entail important synergistic effects. For example, policies aimed principally at building or rebuilding social capital may have positive effects on physical and human capital as well.

The policy domains discussed briefly are as follows:

- programs to combat urban poverty;
- "targeted" programs in urban areas, particularly those targeted on vulnerable groups such as "at-risk" youth and women;
An Economic Approach to Criminal Behavior

A simple economic approach to crime, loosely based on Isaac Ehrlich's 1996 study in the Journal of Economic Perspectives, can help clarify some of the complexities associated with criminal behavior. The basic assumption is that potential criminals act rationally and base their decision to commit a crime on an analysis of the costs and benefits associated with a particular criminal act. In other words, individuals will commit a crime only if the net benefits of committing a crime are large enough. This principle can be represented in two simple equations.

Equation (1) below says that the net benefit of committing a crime is equal to the gross payoff (or loot) from the crime, minus the direct costs associated with acquiring the loot, minus the forgone wages from otherwise legitimate activity, minus the product of the probability of conviction multiplied by the value of the punishment associated with the conviction:

\[ NB = I - c - w - (pr \times pu). \]

NB stands for net benefits of committing a crime, I is the value of the loot, c is the costs associated with planning and executing the crime, w is the total value of wages forgone during the period of planning and implementation of the crime, pr is the individual's perceived probability of being convicted, and finally, pu is the "value" of the punishment associated with the crime under consideration.

We can also consider an individual who has "moral values." For this type of individual, the net benefits of committing a crime would have to exceed a certain threshold before committing a crime. The individual's moral values would determine the threshold. Equation (2) establishes this relationship between the decision to commit a crime and the net benefits of such behavior:

\[ D = 1 \text{ when } NB > t^*, D = 0 \text{ when } NB \leq t^*. \]

D stands for the decision to commit the crime (D=1) or not to commit the crime (D=0). \( t^* \) represents the threshold level of net benefits that determine whether the individual will (or will not) commit the crime. Thus we get:

\[ D = 1 \text{ when } I - c - w - (pr \times pu) \geq t^*. \]

This simple model highlights some of the complexities related to criminal behavior and the policy choices available to reduce crime. First, the size of the loot I depends on the type of crime. For instance, drug trafficking can yield very high I's. Second, the costs associated with the crime depend on the difficulty associated with taking part in a crime. To continue with the ongoing example, the costs associated with drug trafficking can depend on whether the individual is an insider or an outsider to the business. Third, the value of forgone wages (w) that could be earned in the formal economy depends on the availability of employment and on the level of the expected wages. Clearly, poor economic prospects will increase the net benefits of partaking in criminal behavior. Fourth, the probability of being convicted (pr) and the value of the punishment (pu) depend on the effectiveness of the policing and judicial systems, and on the penalties that are determined by law. Thus, individual perceptions regarding the odds of being caught and convicted, and the penalties associated with the conviction affect the potential criminal's calculus. Finally, society's "moral fiber" can affect an individual's propensity to commit crime.
• programs designed to build or strengthen social capital, especially in poor urban neighborhoods;
• programs to improve the capacity of governments, especially municipal governments, to prevent and reduce crime and violence through community involvement and partnerships with civil society and the private sector;
• programs to reform the criminal justice system.

As indicated by the following discussion, a substantial research agenda exists with regard to each of these areas. More effective initiatives for combating crime and violence in the region will depend on greater accumulation of knowledge regarding the relationships among key explanatory variables.

Urban Poverty, Crime and Violence

Urban poverty in Latin America and the Caribbean has increased dramatically over the past decade. As a consequence, it is now estimated that the urban poor represent two-thirds to three-fourths of the people in the region living in poverty.

During this same period, substantial increases in crime and violence have taken place mainly in the cities. Many observers, while not resting the entire explanation for the increase in crime and violence on the increase in urban poverty, have cited it as a major contributory factor.

Both of the principal explanations that have traditionally been invoked to explain urban poverty in the region have implications for crime and violence.

Years ago, the process of rural-urban migration was linked to crime and violence through uprootedness, social dislocation and the apparent inability of many migrants to make the transition from tradition to modernity. A rise in crime and violence was said to be one of the consequences of the proliferation of squatter settlements filled with people coming from rural areas and marginalized from the mainstream of the commercial economy and social and political systems.

With the sharp decline in rural-urban migration over at least the past decade, however, the explanation for the increase in urban poverty seems to be more closely related to developments within the urban economy and society themselves. The regional recession after the debt crisis of the early 1980s and the effects of the subsequent structural adjustment on the urban poor led to severe shrinkages of real wages and job opportunities for large segments of the urban labor force. Many workers were forced to accept large real wage reductions or unemployment, or they were forced to work in the informal sector. Another factor contributing to the increase in urban poverty was the substantial decline in public expenditures on basic urban infrastructure and social services, which had a disproportionate effect on the poor. The links to crime and violence are at least twofold in this scenario: through unemployment and underemployment, and through the deterioration of the quality of life in poor urban areas. Crime and violence were seen as "ways out."

The increase in urban poverty in the region has not received the analytical or operational attention it demands. To the contrary: Over the past decade, i.e., over precisely the period of time in which urban poverty and urban crime and violence have been sharply increasing, scholarly attention to urban problems in the region appears to have declined, and the earlier wave of "urban projects" designed to reduce urban poverty appears to have subsided.

A fundamental item on the future crime and violence agenda in Latin America and the Caribbean, therefore, is the need to "rediscover" urban poverty and effective approaches to its reduction. The elements of such a rediscovery are numerous and diverse. Only two will be emphasized here.

Basic Urban Infrastructure and Services

Interventions to assist making poor neighborhoods better places to live can improve people's sense of well-being and reduce levels of crime and violence. Some simple interventions may have positive effects. For example, the maintenance of public lighting can significantly enhance mobility within and between neighborhoods, the repair of public telephones can increase the capacity to report crimes, and...
Providing Services for the Urban Poor in Latin America and the Caribbean: Some Case Studies

In December 1996, representatives from national and local governments, nongovernmental and community-based organizations, donor agencies and World Bank staff participated in a roundtable discussion on the provision of services for the urban poor. They offered many instructive examples of ways to tap local energies and external assistance for improving urban environments, providing more durable shelter and secure land, and developing avenues of economic opportunity and access to credit markets for commercial and residential purposes. Here are some examples:

Involving Communities To Solve Housing Problems in Costa Rica. FUPROVI, a private, not-for-profit organization, is implementing a national program of low-income housing and slum-upgrading in Costa Rica. FUPROVI has developed effective and sustainable ways of securing land tenure, introduced innovative revolving funds for financing home improvements, created an affordable repayment system, and forged partnerships to stimulate private-sector provision of construction materials. A key factor in FUPROVI's success has been the transfer of knowledge, administrative responsibility and technical skills to organizations within the communities themselves. The government of Costa Rica has fully supported FUPROVI's efforts and asked that it expand them as the main element of the government's national housing program focusing on the poor.

Community Development on a Large Scale in Villa El Salvador (Lima, Peru). Villa El Salvador began in 1971 as an organized invasion by squatters on the outskirts of Lima. It has now grown into a municipality of 350,000 residents. DESCO, a private, not-for-profit research and development organization, has been instrumental in providing technical assistance and training to the municipality and its component communities to prioritize the upgrading and provision of infrastructure and services. The joint municipal and community plans create “development contracts,” specifying the commitments of the municipality, community organizations within it, and individual residents. DESCO has been particularly successful in using participatory planning techniques to negotiate ordinances, registry of property, and tax valuation after owners expand their houses and businesses. With DESCO’s assistance and the sustained involvement of neighborhood organizations, Villa El Salvador shows how a large-scale, participatory process can succeed if it is well planned and organized.

A Large-Scale Private-Led Development Process in El Salvador. Because El Salvador lacks a well functioning land market, one of the main problems of the urban poor is access to land, a situation common throughout much of urban Latin America and the Caribbean. But private developers in El Salvador have been able to do much to assist the poor in the country’s “colonias ilegales.” One example is ARGOZ, a private company that has developed more than 250,000 plots in 500 sites throughout El Salvador in the past 15 years. The plots are affordable because they provide only minimally requisite infrastructure. The buyers and the municipalities take on the development of houses and additional services respectively over an extended period of time. This model of “progressive development” builds upon the model established by earlier World Bank-financed “sites and services” projects in El Salvador in the 1970s and early 1980s.
Unemployment, Crime and Violence in the Caribbean

Unemployment rates in the Caribbean are high, averaging around 15 percent. This is due to the difficulties that small island economies face in the new global economic order as well as to distortions in the labor market that affect job creation. In those countries with high rates of unemployment, it is particularly difficult for unskilled youth, especially school dropouts, to enter the labor force. For example, in Trinidad and Tobago, unemployment rates among youth are around 30 percent for the 15- to 25-year-old age group. Many unemployed young people have dropped out of the school system and are left with large amounts of free time, no skills and few prospects for employment. This has led many of them, particularly males, to become involved with drugs and criminal activity. Several recent studies in the Caribbean show that the perpetrators of most crime are males between 16 and 34 years of age. Many are unemployed or unskilled laborers.

A recent study based on focus-group meetings with prisoners in Port of Spain, Trinidad, emphasized unemployment as a main cause of crime. Unemployment made the men particularly vulnerable to the remunerative drug trade. Among the inmates' chief concerns were the need for skills training to make them employable when they were released and the necessity of better employment opportunities.

Unemployment and Underemployment

Although the precise meaning of data on open unemployment in urban areas in the region is a matter of debate, the unemployment rate generally rose after the debt crisis of the early 1980s and remains very high in a number of countries. Examples from 1995 data include Barbados (20.5 percent); Argentina (17.5); Trinidad and Tobago (16.5); Jamaica (15.9); Panama (13.7); Uruguay (10.8); Venezuela (9.5); and Colombia (8.9). Employment issues have become increasingly important objects of political debate in many countries. Box 4 briefly discusses unemployment and its consequences in the Caribbean.

In this as in other areas, much work remains to be done to clarify the links to crime and violence. Some analysts have concluded that there is no correlation between unemployment and crime and violence in the region. But even if there is no direct causality, this conclusion seems to go too far. Because a considerable body of evidence supports the notion that young men in particular respond to the economic returns to crime, and because young men obviously will perceive those returns as greater if legitimate employment is scarce or nonexistent, there is a strong argument that unemployment is a major factor in crime and violence in urban areas of Latin America and the Caribbean.

Such a relationship has certainly been found elsewhere. In a recent article dealing with the United States, for example, Richard Freeman argues that labor market incentives influence the level of crime and that the depressed labor market for less-skilled men in the United States in the 1980s and 1990s has contributed to the rise in their criminal activity. Studies of cities in the United States confirm that areas with high unemployment rates tend to have high crime rates. In Latin America and the Caribbean, comparisons of cities within individual countries may yield more conclusive results than broad cross-sectional studies using only national statistical aggregates.

The unemployment theme is closely related to the World Bank's emphasis, especially since the publication of the analysis of poverty contained in the 1990 World Development Report, on the importance of the pattern of growth—and particularly on the importance of a pattern of growth that provides opportunities for the poor to take advantage of their most abundant asset, i.e., their labor. If this does not happen—if the growth process is exclusive rather than inclusive, as has tended to be the case in much of Latin America and the Caribbean—sizable proportions of the poor, especially young males, may see no recourse but to engage in crime and violence.

One of the great challenges for the region as it strives to become more competitive in the international economy is how to provide sufficiently remunerative employment opportunities for those displaced by shifting patterns of comparative advantage and technological innovation. (This challenge obviously is not limited to the countries of the region.)

Taking into account these considerations, an important program against crime and violence in the region may well be an employment program. But what might such an employment program consist of? Much emphasis has been placed in recent years on overcoming constraints on the participation of the poor in formal urban labor markets (through the “flexibilization” of labor markets and a reduction in labor market segmentation), and these are undoubtedly important.

But there are at least three other important areas. The first is the need for a more sophisticated understanding of the nature and functioning of the urban informal sector, including a better understanding of the considerable diversity within it. A better awareness of the varieties of informal sector employment is important for the design of well-articulated interventions in support of the sector. The second area, which is not unrelated, concerns effective ways of ensuring access to credit for the urban poor. Microenterprise development requires more systematic attention. The third area is the possibility of creating social investment funds that would be specifically targeted on urban areas with high levels of unemployment, crime and violence and that might include
pilot public works components. In all of these areas, there is a need for both analytical work and operational experimentation. As with the provision of basic urban infrastructure and services, it will be crucial to demonstrate that such initiatives can be cost-effective and fiscally sustainable.

**Targeted Programs in Urban Areas**

Within the context of a renewed concern for urban poverty, it is necessary to “target” vulnerable groups to provide the greatest benefits.

*At-Risk Youth*

From work done in the United States, we know a lot about at-risk youth. One study reports that 75 percent of violent juvenile offenders have been abused by a family member, more than half of all prisoners come from single-parent families, more than 60 percent of juveniles in custody and more than a quarter of adult prisoners have parents who abused alcohol or drugs, and nearly a third of adult prisoners have a brother with a prison or jail record.

A World Bank assessment of at-risk youth in Colombia points out that recent socioeconomic developments in Latin America and the Caribbean have resulted in a situation not substantially different from that presented for the United States. More people are living in single-headed households, there are mounting pressures to supplement family incomes (and thus for young people to leave school early), and there is a declining capacity of families, schools and community institutions to transmit societal norms and values to youth. These developments, including the sharp increase in urban poverty previously reported, have had profound effects on youth.

The World Bank study defines at-risk youth as those who face environmental, social and family conditions that hinder their personal development and their successful integration into the economy and society. The youths studied are 10-19 years old. A crucial element identified by the study is dropping out of school. The proportion of young people who drop out of school before having completed basic education (i.e., nine or 10 years) remains high throughout the region. In urban areas, the percentage of young people aged 20–24 who left school after completing nine years of study or less fluctuates from about 20 percent (Chile) to 54 percent (Honduras). For young people in the bottom quartile of the income distribution, this percentage is substantially higher (on the order of 40–80 percent).

Dropping out of school is closely linked to another problem of at-risk youth: premature entry into the labor force. In Colombia, for example, one study showed that 41 percent of working males aged 12–14 attend school; by contrast, 91 percent of those who do not work attend school. The study identifies a pronounced tendency toward delinquency and criminal behavior as one of the main consequences of dropping out of school.

Another characteristic of at-risk youth now getting attention is their tendency to turn to alcohol and drugs. While information on the extent of drug use in the region is minimal at best and nonexistent in most cases, there are some limited data documenting a rise in alcohol consumption in a number of countries.

One World Bank study traced substantial increases in alcohol consumption in Brazil, Colombia, Costa Rica and Mexico between 1970 and 1989. Limited evidence from household surveys in the region confirms that alcoholism and alcohol-related problems have emerged as priority health concerns in a number of cities. One such survey in Colombia indicated that about 15 percent of the study population was either alcoholic or at a high risk of alcohol dependence. The problem was particularly severe with 16- to 19-year-old males. Studies of alcohol-related problems among the poor in Brazil found that the alcoholism rate was as high as 23 percent in some marginal areas. A study in Mexico found that nearly 50 percent of those convicted of homicide admitted to being drunk prior to committing the crime. In his study, Juan Luis Londoño concludes that “there is abundant scientific literature on every city on the continent showing how a very high percentage of victims and perpetrators of violence had con-
BOX 5
Targeting At-Risk Youth in Colombia:
The Youth Development Project

In Colombia (as in other countries, notably Brazil), rising youth mortality is due to high rates of urban crime and violence. In addition, in 1992 one-fourth of all people arrested in Colombia were between the ages of 16 and 24. Thus, urban young people are the chief perpetrators as well as the chief victims of crime and violence in Colombia. Many young people have become involved in drug trafficking groups, local gangs, delinquency, guerrilla groups, or paramilitary and vigilante groups.

In response to these and other pressing youth needs, the Vice Ministry for Youth Affairs sought assistance from the World Bank to test and implement an integrated package of governmental and nongovernmental services for low-income, primarily urban youth. The goal of this youth development project is to increase productivity and earnings of low-income youth by reducing school-dropout rates, promoting healthy lifestyles and improving labor market opportunities.

The centerpiece of the Youth Development Project is the “Youth Promotion Hub” (Unidad Promocional Basica), “drop-in” youth centers to be situated in accessible points within communities. Youth in low-income neighborhoods will be able to access a range of appropriate services and activities, including vocational training, tutoring, job referral, health services, cultural and recreational activities and counseling. A range of services will be available to youth based on sex, age, and other special needs, such as those of teen parents. Services and activities will be implemented by municipal governments.

Other project elements include:

- studies on the current needs and interests of low-income youth, which will provide information for fine-tuning the services offered in the future;
- staff training at participating youth organizations on how to provide integrated youth services;
- development and implementation of a “School Dropout Detection and Support System” to identify and assist those youth for whom school dropout appears likely.

During the project’s two-year pilot phase, which is currently under way, “hubs” will be established in two urban areas and one rural area, with planned expansion to 15 municipalities during the six-year implementation phase of the project.

sumed alcohol.” Programs to combat alcoholism (and drug abuse as well) are an important requirement for future health sector interventions. While they are clearly needed for at-risk youth, they should not be limited to them.

With a fairly clear understanding of the characteristics of at-risk youth and the etiology of their plight, the question becomes the nature of best-practice programs for assisting them. As background work for the preparation of a World Bank-financed pilot project to assist at-risk youth in Colombia, some two dozen international youth-serving programs were examined. While there are no easy answers, there appear to be a number of generic lessons that can guide efforts in this area. Among them are the need for community-based approaches; private sector involvement; youth participation in the design of programs on their behalf; careful management of individual cases by interdisciplinary teams of professionals who oversee the needs of youth; and a concern for replicability and sustainability.
A number of diverse programs throughout Latin America and the Caribbean are already pointing the way toward effective approaches for assisting at-risk youth. Learning from these and broader international experience, the World Bank is currently working with the Colombian government and nongovernmental organizations to implement an innovative program in this regard. The program is discussed in more detail in Box 5.

Programs for Women

Despite substantial changes in recent years, the countries of Latin America and the Caribbean remain largely male-dominated societies. A number of studies have seen this cultural pattern as the underlying factor explaining violence against women in the region. Changing cultural norms is a difficult, long-term process; nevertheless, a range of actions can empower women and increase their autonomy. In addition to the efforts that need to be made in female education, actions are required to enhance the income-earning potential of women and thus their economic independence. These include efforts that will increase the participation of women in the workplace, including greatly increased child care for working women; the expansion of credit to women to open their own businesses; and the elimination of discrimination against women in the workplace.

These are long-range efforts, however. Today, violence against women is a reality, and there are hundreds of organizations in Latin America and the Caribbean working to support female victims of violence. They include crisis centers, legal aid centers, and women's police stations. For the most part, however, these organizations function with inadequate budgets and with little external support. They could readily be strengthened with relatively modest investment of additional resources.

An example of a promising approach has been the women-only police stations, an innovation that started in Brazil and has subsequently spread to Argentina, Colombia, Costa Rica, Peru and Uruguay. Data from these special police stations in Brazil have greatly facilitated the reporting of abuse against women. In São Paulo, for example, reported rape cases went from 67 in 1985, before the women's police stations were opened, to 841 in 1990. Among the other governmental initiatives for dealing with violence against women is Chile's Servicio Nacional de la Mujer (SERNAM). The SERNAM program has documented the dimensions of the problem, organized community awareness campaigns to change public consciousness, and opened crisis centers to provide legal and psychological support. Other countries in the region are adopting similar approaches.

Social Capital in Poor Urban Neighborhoods

"The greatest challenge for public policy in Latin America today is the reconstruction of the social fabric." (Juan Luis Londoño, "Violence, Psyche, and Social Capital: Notes on Latin America and Colombia.")

"A body of first-rate, cross-disciplinary research by economists that specifies the conditions under which we can fight crime by replenishing or preserving social capital would be both intellectually fascinating and politically compelling." (John J. Dilulio, Jr., "Help Wanted: Economists, Crime and Public Policy.")

It is often claimed that the relationship between poverty and crime is not straightforward and is "mediated" by characteristics of social structure. But what does this mean in practice? Where the social fabric is strong—where, for example, there is a dense network of intermediary organizations (including civic associations, churches, parent-teacher groups, amateur sports leagues and social clubs, among others) or where "family values" remain intact—poverty is considered less likely to result in crime and violence.

A number of observers have found positive externalities associated with religious institutions. For example, criminologist T. David Evans and others found that even under poor socioeconomic conditions, religion (as measured by churchgoing and related activities) served as an "insulator" against crime and delinquency. Richard Freeman found that church attendance is a better pre-
Social Capital in Jamaican Communities and the Design of the World Bank–Financed Social Investment Fund

The World Bank's recent study of poverty and violence in Jamaica gave considerable attention to issues of social capital. The "participatory urban assessment," the qualitative survey instrument employed in the poor communities studied, documented the extensiveness of social institutions within the communities. These include music clubs, dancing clubs, soccer or other sports organizations, teen homework clubs and better parenting clubs. Those organizations based on cooperative horizontal relationships were seen as particularly important components of social capital and as particularly important coping mechanisms for the poor. They shielded against the worst effects of crime and violence. However, the study found a distressing fact—namely, that crime and violence are steadily undermining such horizontally based organizations.

This insight had a significant impact on the design of the Jamaican Social Investment Fund (JSIF), for which a World Bank-financed project was approved in August 1996. The lessons learned about crime and violence in the participatory study influenced both the design of the project's operating procedures as well as its "subproject menus" (i.e., the list of key areas identified by the communities for priority interventions under the JSIF). The "menu" of subprojects was expanded from traditional investments aimed at building human capital (e.g., education and health interventions) to those seeking to strengthen social capital. Examples of the latter include projected JSIF support for the equipment and rehabilitation of sports facilities, teen centers, and training facilities and conflict resolution programs. Community groups are expected to make a minimum contribution to financing subproject costs, and such groups are also expected to monitor the implementation of subprojects and oversee subsequent maintenance of the investments. To help provide the means for community-based sponsors to undertake these roles, provision is made for technical assistance and training of sponsors and other executing agencies. In sum, the JSIF's implementation is expected to have an indirect but significant impact on some of the factors eroding social capital and generating high levels of crime and violence in Jamaica.


Predictor of who escapes poverty, drug addiction and crime in the United States than level of income, family structure and other variables. Juan Luis Londoño used a social capital variable comprising responses to 10 survey questions on strength of the family, level of family security, level of security felt in the neighborhood, friendships, and extent of community organizations. On this basis and examining the Colombian case, he wrote that the correlation between social capital and the reported number of homicides is clearly negative. He concluded that the occurrence of violence in Colombia is greater in those provinces of the country with "lesser social cohesion among their inhabitants." It is often the lack of social capital that hinders young people from reaping the benefits of human capital investments. Studies have shown that youths who suffer from lack of good social capital in their neighborhoods tend to fare poorly in school and have an increased probability of dropping out and experiencing lower returns to their schooling investments. Other studies have documented the important effects of neighbor-
hood peer influences on youth behavior. Youths residing in a neighborhood in which a substantial proportion of young people are involved in crime or use illegal drugs are significantly more likely to be involved in crime and drug use themselves than are youths with similar family background and personal characteristics who live in neighborhoods in which a small proportion of young people are engaged in such activities.55

Empirical evidence from Latin America and the Caribbean has documented that the educational climate of the household is one of the most important indicators of differences in educational attainment and the opportunity for social mobility among children and youth. One of the most successful and innovative World Bank-financed projects in the educational sector—the EDUCO project in El Salvador—is noteworthy for its explicit incorporation of extensive parental and community involvement in the administration of schools. (A supportive community environment can enhance this climate significantly.) A number of other World Bank projects in the region address the needs of preschool children (i.e., under the age of 5) and seek to enhance parenting skills; in short, they seek to strengthen the family unit. Another example of World Bank attention to social capital and of the inclusion of social capital concerns in World Bank projects is found in Jamaica. Box 6 briefly describes this experience.

While the studies conducted to date suggest a key role for social capital in mitigating crime and violence in Latin America and the Caribbean, there is still much that we do not comprehend well. Recent decades, and especially the period since the early 1980s, have seen profound changes in the social order of the countries of the region. These include:

- the decline in labor union membership and influence;
- the apparent decline in the importance of social classes defined in relation to the productive structure;
- the increased importance of groups based on spatial characteristics (e.g., neighborhood and regional movements), cultural characteristics and gender (e.g., ethnic and women's movements), and specific issues (e.g., environmental organizations and groups formed to press for better utilities, water, housing, education and social services);
- the dramatic increase in Protestant and evangelical churches challenging the traditional hegemony of the Catholic Church.

The implications of these and other dramatic changes in the social landscape of the region, including their implications for coping with poverty and combating crime and violence, have not been sufficiently examined. It could be an interesting exercise, for example, to track the evolution of crime and violence in areas where labor unions have declined, issue-based social movements have emerged, or the new religious organizations have flourished. Until we have a more considerable body of evidence speaking to these kinds of questions, it will be difficult to translate general observations about the importance of building social capital into specific policies and programs for doing so.

**MUNICIPAL GOVERNMENTS AND COMMUNITY INVOLVEMENT**

Two interrelated phenomena—the democratization of the region and decentralization—have attracted considerable attention in recent years. Curiously enough, however, their implications for combating crime and violence have not been explored much.

A World Bank study of local government innovations in Latin America and the Caribbean concludes that "electoral choice making, together with widespread popular participation in decision-making and planning, amounts to a quiet revolution of local governance." Since the mid-1980s, countries are choosing virtually every executive and legislative officer in more than 13,000 units of state (or provincial) and local governments.59

Evidence compiled by the World Bank for Central America and Colombia indicates that people seeking local elective office are more qualified and that, once elected, are recruiting more professional staff. These newly elected may-
Community Involvement in Combating Crime and Violence: DESEPAZ in Cali, Colombia

One of the key principles of DESEPAZ is that the prevention of crime and violence requires a commitment from all citizens. Consejos Municipales de Seguridad (Municipal Security Councils) have been created as an integral part of the program. They bring together relevant government officials on a weekly basis to study the epidemiology of crime and violence in the various neighborhoods of the city, review progress and chart future plans of action. In addition, each week a two-hour meeting is held in one of Cali’s 20 districts, bringing together the mayor, members of his staff and community leaders. In the meetings, which are open to the public, the participants discuss all matters related to crime and public security and agree on concrete solutions. This community-based process has led to the creation of programs in the areas of law enforcement, public education and social development. While it is still too early to evaluate the results of DESEPAZ in reducing crime and violence, it is noteworthy that the homicide rate in Cali fell between 1994 and 1995, the first such decline in a dozen years.


The democratic opening in the region, together with the improvement in local governance in many municipalities, provides a window of opportunity for attacking crime and violence at the local level. Electoral politics is making local leaders more accountable and their actions more transparent. With survey data indicating that crime and violence are now at or near the top of citizens’ concerns, such leaders will increasingly be held accountable for dealing effectively with them as well as the more traditional agenda of local government. Anti-crime partnerships are required and need to bring together local government, community-based organizations and the private sector. Better knowledge is also needed about the concerns and desires of the communities where crime and violence are problems, so that these partnerships can design and—with sustained community involvement—implement appropriately targeted programs.

Evidence from elsewhere—from New York City, for example, where the crime rate has fallen...
dramatically in recent years—indicates that it may be effective for such community-based efforts to focus on a few simple but powerful factors first in order to send a message that crime and violence will not be tolerated and that public order is a fundamental value. For example, community campaigns to clean up litter and remove graffiti can accomplish a great deal. One key approach that seems to have been extremely effective in New York City is a heightened focus on apprehending perpetrators of small and petty crimes. The rationale for this is the hypothesis—seemingly borne out by the evidence—that criminals who commit petty crimes are often the same individuals who commit more serious, violent ones. In New York City and elsewhere in the United States, "business-improvement districts" bringing the private sector into neighborhood betterment efforts seem to have been an effective innovation. Communication and outreach programs that educate the public in simple civic virtues are another example.

Much remains to be done to ensure that the public's voice is effectively communicated to local authorities and that the accountability of the authorities as well as their capability to respond are enhanced (through, for example, efforts to strengthen administrative and managerial capabilities at the local level). Nevertheless, the record of emerging experimentation shows that municipal governments can significantly improve their ability to understand, monitor and combat crime and violence—and that an essential ingredient of this enhanced ability is working more closely and effectively with their constituents.

**Criminal Justice Reform**

No treatment of the agenda for addressing crime and violence in the region would be complete without acknowledgment of the pressing need for reforms in the criminal justice system. The required criminal justice reforms are part and parcel of a wider judicial reform agenda embracing many aspects of civil law and procedures as well. In general, the court systems—both civil and criminal—in most countries of the region have suffered from major inefficiencies, delays, and resultant high costs; a lack of transparency in the process; widespread corruption; a lack of predictability in the outcome of cases; and, in some instances, political interference in judicial decisions by the executive branch. These features have generally been less of a problem in many Caribbean countries, although they, too, have suffered from chronic delays in their courts.

A recent world competitiveness report, which rates judicial systems of the world not only on the basis of efficiency but also on the opinions of users and public confidence, puts all Latin American and Caribbean systems (except that of Chile) in the bottom 20 percent. Popular perceptions of judicial systems in the region, and of the criminal justice system in particular, are far from good. Surveys conducted in Argentina, Brazil, Ecuador and Peru, for example, show that between 55 and 75 percent of the public manifests a very low opinion of the judicial sector. This lack of confidence in the administration of justice is most pronounced, not surprisingly, among low-income families and small economic units. There is a strong perception that the system is biased in favor of the upper classes and systematically discriminates against the poor and marginalized groups. A recent survey among the urban poor in Chile showed that 46 percent of those interviewed thought that the judiciary was "bad" or "very bad," 43 percent thought it was "mediocre," and only 9 percent rated it as "good" or "very good." We have not been able to locate data reporting specifically on people's attitudes toward the police as an institution. However, the most recently reported International Crime Victim Survey (conducted in 1992, reported on in 1995) noted considerable dissatisfaction among citizens of Buenos Aires and Rio de Janeiro with respect to the way in which the police control crime in their area of residence. In Buenos Aires, 65 percent of the people interviewed were "dissatisfied" with the activities of the police and only 28 percent "satisfied"; in Rio de Janeiro, 77 percent were dissatisfied and only 12 percent satisfied. A recent Chilean analysis found that in more than 77 percent of the cases the police took one to four months just to verify that the crime being
investigated had actually taken place.68

The criminal justice system in almost all of the countries of the region is inefficient and time-consuming in the extreme, and only a minuscule proportion of the perpetrators of crimes is ever brought to justice. With few exceptions, the judicial branches in the region have been understaffed and underfunded. In Colombia, the budget of the judicial branch actually fell as a percentage of the annual national budget between 1982 and 1992—precisely the years in which crime and violence grew rampant—although it has been growing since 1992.69

Recognizing these many constraints, the World Bank in the late 1980s launched a program of support through the funding of technical assistance for judicial reform in the region. At the time, the Bank chose to limit its involvement to supporting reforms of civil and commercial courts rather than the criminal justice system on the grounds that the former were more closely related to the Bank's mission of helping countries promote growth and development as well as reduce poverty. Moreover, a number of other agencies, including the United States Agency for International Development and the United Nations Latin American Institute for Crime Prevention and the Treatment of Offenders, were already active in the judicial reform area and had established a comparative advantage.

The World Bank's programs concentrated on reforms of court administration, including computerization and better case-flow management; improved selection and training of judges and court staff; procedural reform, including the use of oral testimony; development of alternative dispute resolution systems; and reforms in legal education. The Bank's first judicial reform initiative was in Argentina in 1989. In 1994, the Bank helped finance a full assessment of judicial reform requirements in Argentina, excluding, however, the criminal justice system. Subsequent lending operations are now under implementation in Bolivia, Ecuador and Venezuela, while new operations are under preparation in Guatemala, Peru, and Trinidad and Tobago. All are designed to finance broad-gauged reforms of the civil and commercial court systems.

However, as discussed earlier in this paper, there is now a much greater appreciation in the development community of the impact of crime and violence on growth, development and poverty reduction—and thus on the need for a more effective criminal justice system. At the same time, the impact of official corruption on development has also been increasingly recognized as a major problem. This has led to more emphasis on criminal justice reform in the work of a number of international agencies. For example, when the Inter-American Development Bank began its program of support for judicial reform in the region in late 1994, it chose to include both criminal and civil aspects. Such “white-collar” crimes as bribery, money-laundering and tax evasion are also receiving increased international attention.

From the standpoint of the concerns of this paper, reform of the police is particularly important. This is not an area in which the World Bank possesses expertise or is likely to get directly involved; it is first and foremost a national responsibility, although here, too, some external agencies have done important work. In any event, the professionalization of police forces is crucial for preventing or mitigating crime and violence in the region. At a minimum, strong efforts are required to guarantee that the agents of the state do not themselves become instruments of crime and violence or abusers of human rights. Beyond that, much remains to be done to enhance the competence, efficiency and accountability of those charged with defending the public order.
CONCLUSION

FROM ONE PERSPECTIVE, the implications of the foregoing analysis are straightforward. Crime and violence in Latin America and the Caribbean can be more effectively prevented and reduced by:

- improving the data to give us a better understanding of the nature and extent of crime and violence in the region;
- reducing urban poverty;
- targeting programs on vulnerable groups, especially at-risk adolescents and women;
- building (or rebuilding) social capital;
- strengthening the capacity of local governments to combat crime and violence through community involvement and partnerships with civil society and the private sector;
- reforming the criminal justice system and professionalizing the forces of public order.

From another perspective, it is abundantly clear that there are formidable challenges involved in each of these areas. Some stem from fundamental cultural and political constraints to progress. Others are related to the paucity of knowledge on key topics. Still others involve shortages of human, organizational and (in some cases) financial resources. The challenges—for communities throughout the region, for national and local governments, and for the international community—require bold and imaginative action, however. Without it, crime and violence—already serious and growing threats to growth, development and poverty reduction—threaten to become the single major obstacle to the realization of the region’s long-standing aspirations for sustainable economic and social development.
While crime and violence are both treated in this paper, there are important distinctions between them. Crime is an act punishable by law, i.e., it is the breach of a legal prohibition. As such, what constitutes a "crime" may differ between cultures and nations, although some actions are so heinous as to merit nearly universal prohibition. Not all crimes entail violence (e.g., various forms of "white-collar" crime). Violence is the undue exercise of physical force, and, although much violence is a crime, some is not. As Moser notes, "perceptions as to which crimes are violent, or which types of violence are unlawful, differ widely, determined less by objective indicators of degree of damage or injury than by cultural values and power relations." See Caroline Moser, "Urban Poverty and Violence: Consolidation or Erosion of Social Capital," paper prepared for the Second Annual World Bank Conference on Development in Latin America, Bogota, July, 1996, p. 1.

The source for all data is the Health Situation Analysis Program of the Pan American Health Organization, 1997.

These problems are not limited to Latin America and the Caribbean. In the United States, there are sharp discrepancies in the data emanating from the Federal Bureau of Investigation's Uniform Crime Reports (UCR), which are based on crimes reported to law-enforcement agencies, and those stemming from the National Crime Victimization Survey (NCVS) of the Bureau of Justice Statistics, which gathers data annually from a national sample of individuals and households. In 1993, for example, the NCVS reported a total of 43.6 million crimes nationwide, while the UCR reported only 14.1 million. The NCVS found nearly 11 million violent crimes, while the UCR found only 1.9 million. See John J. DiIulio, Jr., "Help Wanted: Economists, Crime and Public Policy," Journal of Economic Perspectives, 10:1 (Winter, 1996), p. 6.

Homicide rates are the most commonly cited proxy for crime and violence in general. They may or may not be adequate in this regard. For example, it is possible that a society may manifest considerable crime and violence even in the presence of relatively low homicide rates. For a discussion of some of the difficulties in deciding upon appropriate indicators of crime, see Luis Ratinoff, "Delincuencia y paz ciudadana," in Inter-American Development Bank, Hacia un enfoque integrado del desarrollo: ética, violencia y seguridad ciudadana, encuentro de reflexión (Washington, D.C.: February, 1996), pp. 5-6.


8 Ibid., p. 25.


15 World Bank, Task Group Report: Social Development and Results on the Ground (Washington, D.C.: October, 1996). A recent World Bank empirical study conducted in Tanzania attempted to quantify the contributions of social capital to development. Using data from 750 households in 45 Tanzanian villages, the study measured social capital in terms of membership in groups and networks. Multivariate regression analyses established that village-level social capital was a key contributor to household welfare, even after taking into account the size of the household, male schooling, female schooling, household assets, market access, and agroecological zone—and after controlling for the contributions of human capital, physical capital, and natural capital. The effect of a one standard deviation increase in village-level social capital was higher ($60) than for market access ($33) or female schooling ($30). See Deepa Narayan, "Voice of the Poor: Social Capital and Poverty" (Washington, D.C.: World Bank, 1996).
Men Commit Crimes and What Might We Do About It?,” op. cit.

Richard B. Freeman, “Why Do So Many Young American

violence are more closely related to inequality (or relative poverty) than to absolute poverty. Freeman reports an association between higher rates of crime and greater inequality in cross-section studies of cities in the United States. See Richard B. Freeman, “Why Do So Many Young American Men Commit Crimes and What Might We Do About It?,” Journal of Economic Perspectives, 10:1 (Winter, 1996), p. 33.

Londoño argues that inequality also appears to be a key factor in accounting for interregional variations in the levels of crime and violence in Colombia. See “Violence, Psycho- and Social Capital,” op. cit., pp. 3-4. There has been very little analytical work on this topic in Latin America and the Caribbean, however, and the discussion in the text refers principally to absolute poverty.

For a study that sharply disputes the notion that the residents of squatter settlements were disconnected from national life, see Janice E. Perlman, The Myth of Marginality: Urban Poverty and Politics in Rio de Janeiro (Berkeley: University of California Press, 1976).


An example from the analytical side may illustrate this point. In the 30-year period from 1965-95, the Latin American Research Review, the official scholarly journal of the Latin American Studies Association, published a total of 50 articles on urbanization and urban studies. Of this total, 41 were published before 1985 and only nine in the decade since. International lending for urban projects has similarly declined. Last year's Second United Nations Conference on Human Settlements in Istanbul may be the beginning of a reversal of these trends. The recent publication titled An Urbanizing World by the United Nations Centre for Human Settlements (Oxford: Oxford University Press, 1996) is also a significant turning point.

Moser, op. cit., p. 6.

The Venezuelan project is being implemented by FUNDACOMUN, the national public agency responsible for community and municipal development. Upgrading activities, mainly the supply of water and sanitation services, have been completed in 13 municipalities to date and are currently under way in 10 additional municipalities, with about 30,000 low-income households having benefited. After learning important lessons about how to ensure reaching intended beneficiaries with an assistance package of basic services, officials are designing a second project that will place greater emphasis on the involvement of nongovernmental and community-based organizations in the design, implementation and management of slum-upgrading works. PROSANEAR is a pilot program financed by the World Bank and designed to provide affordable water and sanitation to poor urban areas throughout Brazil. It has operated in more than 100 poor communities in 17 cities. Living conditions have been improved by the extension of water and sanitation services to about 1 million inhabitants of these cities. The key to the project's success has been an innovative approach involving the combination of low-cost appropriate technologies and extensive community participation. Beneficiary communities participated in all phases of project implementation to ensure demand for the services and involvement in the production and eventual ownership of the new facilities. Encouraged by the experience with the pilot project, the Brazilian government has converted it into a large-scale national program.


Londoño, op. cit., p. 2.

Freeman, op. cit., p. 33.


Labour Market: Access to Jobs and Incomes in Asian and Latin American Cities (Geneva: International Labour Office, 1989), pp. 1-33. Rodgers notes that "the labour market cannot be analysed as if it were just another commodity market. Inequalities in access to labour markets need to be understood as part of a process of social and economic stratification of which poverty is one result." (p. 1.) Moreover, "the simple inability to obtain work remains an important determinant of urban poverty." (p. 19.)

38 Dilulio, op. cit., p. 15.
40 Ibid., p. 9.
41 Ibid.
43 These studies are cited in Ibid., p. 15.
44 Londono, op. cit., p. 3.
46 See, for example, United Nations Economic Commission for Latin America and the Caribbean (ECLAC), "Domestic Violence Against Women in Latin America and the Caribbean: Proposals for Discussion" (Santiago: June, 1992), pp. 9-11.
49 Londono, op. cit., p. 7.
50 Dilulio, op. cit., p. 21.
51 An analytical problem, not sufficiently addressed in the literature, is that poverty itself may contribute to the unraveling of the social fabric quite independently of the negative effects stemming from crime and violence. Also, some other unspecified variable may conceivably underlie both membership in organizations and lower levels of crime and violence.
54 Londono, op. cit., p. 5.
55 These studies are cited in "Targeting At-Risk Youth," op. cit., p. 3.
56 Ibid.
59 Ibid., p. 2.
60 The new model of local governance and some of its beneficial consequences are discussed extensively in Ibid.
61 Dilulio, op. cit., p. 20.
69 Ibid., p. 24. The judicial branch's share of the budget was about 4 percent in the early 1980s; it fell to about 1.2 percent by 1992.
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