

[Back to previous page](#)



document 1 of 1

# LATIN AMERICA: Crime and violence entail high costs

OxResearch Daily Brief Service. (Feb 22, 2013).



Find a copy



[http://sfxhosted.exlibrisgroup.com/nps?url\\_ver=Z39.88-2004&rft\\_val\\_fmt=info:ofi/fmt:kev:mtx:book&genre=unknown&sid=ProQ:OxResearch&atitle=&title=LATIN+AMERICA%3A+Crime+and+violence+entail+high+costs&issn=&date=2013-02-22&volume=&issue=&spage=1&au=&isbn=&jtitle=&btile=LATIN+AMERICA%3A+Crime+and+violence+entail+high+costs&rft\\_id=info:eric/&rft\\_id=info:doi/](http://sfxhosted.exlibrisgroup.com/nps?url_ver=Z39.88-2004&rft_val_fmt=info:ofi/fmt:kev:mtx:book&genre=unknown&sid=ProQ:OxResearch&atitle=&title=LATIN+AMERICA%3A+Crime+and+violence+entail+high+costs&issn=&date=2013-02-22&volume=&issue=&spage=1&au=&isbn=&jtitle=&btile=LATIN+AMERICA%3A+Crime+and+violence+entail+high+costs&rft_id=info:eric/&rft_id=info:doi/)

## Abstract

The cost of violence in Latin America.

Latin America and the Caribbean (LAC) is one of the most violent regions in the world. The UN Office on Drugs and Crime (UNODC) estimates that more than 125,000 people were murdered in the region in 2010. This accounts for 26% of the intentional homicides committed globally. While rates vary from country to country, there is a consensus that the problem has a significant impact on economic development and poses huge challenges to governments.

## Full text

**SUBJECT:**The cost of violence in Latin America.

**SIGNIFICANCE:**Latin America and the Caribbean (LAC) is one of the most violent regions in the world. The UN Office on Drugs and Crime (UNODC) estimates that more than 125,000 people were murdered in the region in 2010. This accounts for 26% of the intentional homicides committed globally. While rates vary from country to country, there is a consensus that the problem has a significant impact on economic development and poses huge challenges to governments.

**ANALYSIS:** Impacts.

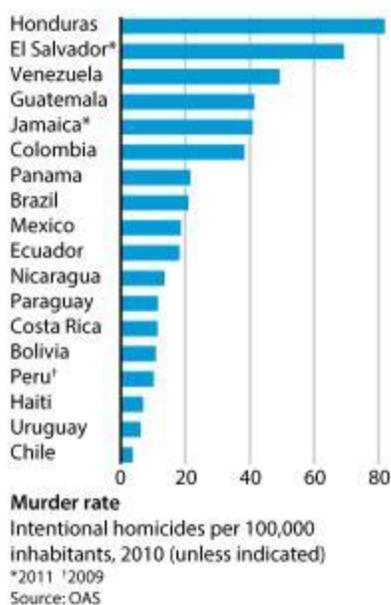
The cost related to crime and violence will not decrease so long as the most cost-effective actions are unknown.

Persistently high insecurity levels could weaken governments' democratic legitimacy in the eyes of sectors of the population.

Social segregation and inequality may increase given that access to private security depends on income and financial capacities.

Crime and violence are widespread problems in the region (see LATIN AMERICA: Urban violence undermines governance - August 26, 2011). LAC has a rate of more than 20.0 murders per 100,000 people, compared to a world average of 6.9 per 100,000. Statistics show a decreasing or stabilising trend of homicide rates in the region since 1995. This is the case in Colombia (from 72 to 33 per 100,000). However, there has been an increase in Central America and the Caribbean. In some countries, such as El Salvador and Honduras, it has reached critical levels ( see HONDURAS: Security challenges set to persist - January 3, 2012).

#### Assessing the cost of violence.



Besides the suffering that this phenomenon causes among victims, crime and violence have direct measurable costs (crime prevention, treatment of the victims, and law and order). Murders, rapes, assaults, kidnappings, robberies and other frequent crimes also have indirect negative impacts that are harder to calculate, including a reduced quality of life, lower investment levels and loss of property value.

According to different studies, the cost of violence in LAC varies between 2% and 15% of GDP depending on the country. In addition, the costs related to health and justice account for about 5% and 9% of GDP, respectively.

In Uruguay, where the crime rate is low compared to other countries in the region, the Centre for Economic Research (Cinve) estimates the cost of crime against people and property to be at least 1.2 billion dollars a year, or 3.1% of GDP. This includes costs related to prevention, the criminal justice system, incarceration and rehabilitation of criminals, stolen property and health expenses.

In Central America, where the cost of violence is close to 8% of the regional GDP, it is estimated that a 10% reduction in the level of violence could boost annual economic growth by up to 1.0% in countries with the highest homicide rates, according to World Bank estimates.

Over the last six years, around 50,000 people have died in Mexico as a consequence of violence related to drug trafficking. There is evidence that crime and violence also have an impact on real estate values. According to a recent study commissioned by the InterAmerican Development Bank, an increase of 1.0% in the accumulated number of homicides during the two years prior to a transaction in a given area where a property is located leads to a 1.8% decrease of its market value.

Residential property values are also related to the feeling or sense of insecurity. Higher income households tend to pay higher rents for more secure housing. In Brazil, where fear of crime is particularly acute, a greater sense of security can substantially increase residential property values in certain metropolitan areas, according to a study on residential rents. For the 18 million households in the studied areas, this would represent a total of 13.6 billion dollars.

LAC has seen a rapid growth of private security companies. Many of them are illegal; they employ untrained

personnel and operate with poor labour conditions. The ratio of private guards exceeds the ratio of police officers in many countries.

Domestic violence is also a serious problem and seems to be rising. This may be a result of more violence or more reporting. However, it is clear that domestic violence is directly related to lower earnings for the victims and losses in productivity. In Central America, studies have shown that children who are victims of domestic violence are more likely to drop out school or to have lower levels of education. They are also more susceptible to join gangs and be involved in crime or prostitution.

### Challenges.

According to UNODC, less developed countries (as measured by their human development index) and countries with high income disparities have higher murder rates. Crime deters human and economic development and lack of development nurtures crime. Reducing inequality and fostering development remain major challenges to break that vicious circle.

Sudden declines of economic performance have been linked to growing homicide rates. Usually, an increase of 1% in the unemployment rate translates into a similar increase in property crimes. However, research suggests that changes in homicide levels are not only driven by economic factors. There is also a correlation between homicide rates and organised crime, drug trafficking, gangs and the prevalence of firearms, which make up the major causes of violence in the region.

Crime levels in the region undermine trust in public institutions, which is lower than in other regions. Deep structural problems, such as inadequate training, scarce resources, as well as corruption, prevent the creation of effective police and judicial systems. Public opinion surveys point out that only 30% of Latin Americans believe that democracy can guarantee security against crime and that only a third of the population trusts the police.

Fighting violence is an extremely complex task. Improving security requires well-functioning governments, including efficient public institutions. It also demands more equitable distribution of resources and less corruption. Initiatives such as creating job opportunities and recreational spaces, as well as reducing school dropout rates, are crucial to tackling potential risks.

Though governments recognise that prevention is a major policy component, their actions have mainly focused on law and order, in many cases prioritising crime control interventions with media and political impact. Some countries have adopted hard line strategies against drug trafficking, among other measures. However, there is little empirical knowledge of what strategies are the most cost-effective. Moreover, while reliability of information is vital for decision-making, data on violence and crime often lacks consistency and regularity.

**CONCLUSION:** In a context of economic growth, lower poverty levels and decreasing unemployment, violence and insecurity will stay at the top of the social and political agenda. People living in the region will continue to put pressure on public institutions to improve security conditions. Recent trends suggest that the private security industry will continue expanding in the foreseeable future. Crime fighting efforts by governments should gradually shift from coercion to prevention and rehabilitation.

Copyright Oxford Analytica Ltd. 2013. No publication or distribution is permitted without the express consent of Oxford Analytica.

---

## Details

Subject	Politics; Social conditions & trends; Crime; Government; Police; National security; Welfare
Location	Latin America, Caribbean area
Classification	9173: Latin America 1220: Social trends & culture
Identifier / keyword	Latin America, Caribbean area, Politics, Social conditions & trends, Crime, Government, Police, National security, Welfare
Title	LATIN AMERICA: Crime and violence entail high costs
Publication title	OxResearch Daily Brief Service
Pages	n/a
Publication year	2013
Publication date	Feb 22, 2013
Year	2013
Publisher	Oxford Analytica Ltd
Place of publication	Oxford
Country of publication	United Kingdom
Publication subject	Business And Economics
Source type	Reports
Language of publication	English
Document type	News
ProQuest document ID	1312313720

Document URL	<a href="http://libproxy.nps.edu/login?url=http://search.proquest.com/docview/1312313720?accountid=12702">http://libproxy.nps.edu/login?url=http://search.proquest.com/docview/1312313720?accountid=12702</a>
Copyright	Copyright Oxford Analytica Ltd. 2013. No publication or distribution is permitted without the express consent of Oxford Analytica.
Last updated	2013-03-04
Database	ProQuest Central

Copyright © 2015 ProQuest LLC. All rights reserved. Terms and Conditions