

Reducing Urban Crime Through Policies of Inclusion

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Topic: How issues such as unemployment, inequality, access to services and related topics breed violence and crime. Can you use economics to identify 'at risk' populations? What strategies exist to mitigate associated instability?

Introduction: The obsession of urban planners and geopoliticians who try to see into the future to predict what a city will look like is the search for useful indicators which can be projected as possible or likely trends. For example, population growth is a favorite because it can be measured easily. Gross National Product is another index that can be measured over time; job creation, housing starts, traffic on the city's streets or bridges are others. The danger in using such indicators to project trends into the future is that the trends may change. If we are interested in the impact of crime and violence on the city, the dangers of projecting trends that may or may not hold are multiplied by the fear that they may not be

the correct indicators. This explains why so many futurists of the city anticipate a dystopian world in which a small minority uses increasingly brutish physical obstacles to protect themselves from an increasing underclass that becomes more violent over time. It is a city of separation and exclusion, of fear and distrust. Not a pretty place to live. My argument is that such visions are overly dark. The city of the future probably will not look like that and need not look like that. I shall focus on public policies that might ameliorate the drivers of instability and crime. Instability here refers to disturbances of the public order, such as unauthorized street demonstrations, blocking the public thoroughfare, crime and violence which in certain forms and at certain levels of incidence cause profound instability in the urban body politic, I am interested specifically in policies that offer promise of reducing crime and poverty at the same time. Given my expertise, I shall focus on the cities of Latin America, with only an occasional reference to cities in other regions of the world.

It is also possible to discuss intra-elite contestation in the urban context as destabilizing, in the same manner as criminal activity, when such violence undermines the rule of law, thereby fouling the conditions for investment, undermining public confidence, and making the preservation of the peace more difficult. Given the constraints of space, I shall leave this case aside. It is clear, also, that I will **NOT** touch upon the robust findings in the literature linking inequality of landholding and access to land and violence in Latin America and in Africa. We are urban today.

Caveat #1: instability here does not refer to political opposition to the status quo or to provocation in the media calling for a change in the existing government.

Caveat #2: poverty does not cause instability, nor is crime associated with poverty in any meaningful manner.

More complicated and more interesting is the relationship between inequality or income disparities and instability. Levels of inequality certainly are associated with violence and instability. In methodological terms, we might call income disparity a contingency variable and it is associated with threshold levels. To forge the correct link between inequality and violence, we must seek the other variables or dimensions of the problem which become the drivers for a linkage between income inequality and instability. Recent work on Latin America refers to horizontal inequality as well as vertical (income) inequality as drivers of violence. This refers to the growing identity literature and focuses our attention on ethnicity, gender, and age as factors in discrimination, alienation and exclusion. Examples of such horizontal inequality might be discrimination against Hispanics in the construction industry in the United States; discrimination against Peruvians by the health care system in the provision of services in Santiago, Chile; and, the exclusion of Afro-Colombians from the urban housing market in Cali, Colombia. Such discrimination reinforces the effect of income inequality and is another form of exclusion in the growing

city.

In summary form there is one pair of variables, a dichotomous pair, exclusion and inclusion, that serve as indicators of what conditions (generally of exclusion) in combination with inequality are most likely to become drivers of instability. By the same token, in the most general terms, recent literature suggests that public policy responses are most successful in containing instability or forestalling instability if they can be aimed at including segments of the population or mitigation their exclusion. The key to understanding how economic factors can drive instability and contribute to the rise of crime rates is the difference between inclusion and exclusion in the city.

Let me turn briefly to a short list of sectoral issues and policy responses in order to make clear how existing policy serves to exclude groups in the population and how other or newer policies can ameliorate this exclusion and mitigate the causes of instability.

Geography and infrastructure: There tends to be a powerful geographical manifestation of income disparity. That is, there is a clear separation in the city between the rich and poor; although, often there are pockets of the poor living amongst the super rich. The policy response to this situation obviously includes infrastructure, especially transportation, and the provision of public (and private) services. Let me give you just one example, the way in which the subway or metro is built in three different cities: Santiago, Chile, Mexico City, Mexico, and Washington, D.C. In the first, the initial stage of

construction connected the wealthy inner suburbs to the downtown government offices and financial district. Along the way, it passed some pockets of less wealthy population from which domestics who worked in the houses of the more wealthy might live. The tariff was set so high that only a small percentage of the urban population served could afford to use the system. As a consequence, the system rarely was crowded, it was clean, and was a pleasure to ride – so long as you could afford the trip.

By contrast, the Mexico metro criss-crossed the district in such a way as to connect a wide socio-economic range of neighborhoods. And, the tariff was set so low that anyone could afford to ride. The cars always were crowded, 24 hours a day. The third case, Washington, D.C. is an example of how public policy can change over time, with predictable results. When the first line went in, it served the upper middle class in the Northwest of the District and the Virginia suburbs who worked in white collar jobs in the federal government. The Afro-American majority of the population was underserved. As that Afro-American population became more educated and earned places in the federal civil service, and acquired greater political voice, new lines were laid out in such a manner that today the metro in D.C. reflects the population of the city and it has true rush hours in the morning and afternoon.

Education: Education is one of the most basic public services. Unequal access to education or unequal quality of education across the space of a city will have a profound impact on the labor market and on social stability. Providing quality education only to a

portion of the city's population certainly would affect the labor market and exacerbate conditions of inequality. When access to quality education is purely a function of the market, the conditions of exclusion become structural and inter-generational poverty is all but guaranteed. Aside from the obvious implications for anger on the part of the excluded, such discrimination also serves as an obstacle to national development. Again, let me take as my example education policies in two countries in South America.

In Argentina, which once was among the most literate and the most equal countries in the hemisphere, has kept in place a policy under which public universities charge little or no tuition. Instead of fostering access to higher education, the policy restricts access because only the wealthy can send their children to the proper high schools which prepare them for the entrance exams to get into the elite public universities. In the absence of affirmative action or scholarship programs, over time, the policy has served to subsidize the wealthy and exacerbate tendencies toward inequality so that today Argentina no longer is one of the most equal countries in the region and its literacy rate is lower than it was 50 years ago. By contrast, Brazil, which for years was the most unequal country in the hemisphere and which had a similar policy in place, changed its policy under Fernando Henrique Cardoso, the so-called *bolsa de familia*, which aimed to keep children in school so that they could qualify for the excellent public universities in the country. In little more than a decade, the results have been nothing short of remarkable in reducing the level of inequality in Brazil and, along the way, improving the quality of the work force in the

country.

Labor market: obviously, access to jobs is crucial in providing the young and the not-so-young an opportunity to provide for their families. Without access to jobs, those who are not financially independent will become destitute and dependent upon the public dole or they will become candidates for employment in the crime organizations which are eager to increase the ranks of their “soldiers” or other members. Labor market policies that foster exclusion can be lumped into two categories: informality and horizontal discrimination, Informality means simply that employers do not have to provide benefits nor the number of hours that would allow the employee to make enough to make ends meet. The result in most cities of the region is a situation in which the young, women, migrants and members of other vulnerable populations travel long distances to get from their shantytowns to the place of work only to work a few hours a day or a few days a week, so that they cannot possibly earn a living. The alienation this system produces, especially among the young, is the prerequisite for crime and violence.

Horizontal discrimination affects women and members of ethnic groups that are identified as “other” in the society, most typically immigrants. Members of these groups find it hard to get good jobs and suffer discrimination in the access to all public services because they are, in one sense, incomplete citizens. Here, access to full citizenship is the first hurdle in many of the major cities in the world, including cities in the United States and Europe.

International organized crime and national crime

In my consideration of the drivers of instability and crime in the city, I have focused on the city. The impact of crime becomes more diffuse and harder to combat with urban policy in situations where the locus of criminal activity is in the city and beyond it.

International organized crime is becoming one of the major challenges to cities and to nations throughout the hemisphere. Up to the beginning of this century, most discussions of crime and rates of crime, generally referred to crimes committed at the local level – crimes of violence, crimes against property, crimes against family members. The rapidly rising rates of such crimes throughout the region was considered to be a threat to the new democracies and to be a threat to destabilize governments and cities. This discussion, both among academic experts and among policy makers, was concerned with the sense of citizen insecurity in these democracies and the need for what was called second generation reforms, which included reforms of the judiciary and the police. This required linking national and municipal policy to achieve the goals of policy. Today, it is impossible to discuss crime without taking into account the increasing traffic in and use of illegal drugs, and the increasingly organized and international structure of these criminal activities. Crime is coming to be highly international as it remains intensely local.

With regard to crime against the populations of the region's cities, we have learned over the past twenty years that the perception of insecurity can be as important as the level

of crime. Here, the sense of inclusion is crucial both to making people feel less insecure and to reducing the level of crime. The key to these reforms over the past twenty years has been the concept of proximity – bringing the forces of law and order closer to the citizens and making the latter feel part of the process and feel that the police are part of the solution and not part of the problem. The most successful reform efforts, such as those in Peru and Chile, actually take multi-sectoral approaches to the problem, so that the police work in collaboration with other social service providers. This has proven to be especially effective in dealing with vulnerable populations, such as youth and immigrants. There is now a robust consensus in the region as to the most effective strategies in mitigating the sense of insecurity in the city.

Over the past two decades, the illegal traffic in drugs, which had been a problem that had been a cause for concern throughout the hemisphere became the center of the discussion of crime and violence. Here was a dilemma for policy makers everywhere. Drug trafficking is associated with other forms of international criminal activity – money laundering, the traffic in people and the traffic in arms. The increase in drug trafficking has several local consequences, in addition to the international dimensions of the problem. Locally, as the drug dealers look for helpers, they use drugs as a mode of payment which has the immediate effect of increasing the consumption of drugs in areas that may have been only transit routes previously or that had been producing areas. Now, all the world is an area of consumption, producing staggering public health problems in places that used to

consider themselves immune from the scourge of drugs. Other local consequences of the drug trade are that dirty money can flood a community, skewing economic activity. And, most notorious, the drug cartels tend to be more violent and to consider themselves exempt from the law. The result is a huge increase in the most violent of crimes in areas of contestation between drug cartels or between the drug cartels and law enforcement. In several cases, drug dealers have taken over entire shantytowns, some containing as many as a million people. In those cases, the criminals usurp the role of the state. Recapturing that urban space is never easy.

At the cusp between local and international crime are the organized gangs, which can dominate entire neighborhoods of the cities of the region. Although often connected to drug trafficking, they are a criminal element in their own right. Where they are most organized, they threaten the state's control over the urban space. In many cases, especially in Central America, they are connected to, armed by, and controlled by agents in cities in the United States. As Lilian Bobea points out, in the Caribbean, they are the new or modern pirates of the Caribbean.

In both cases, the crucial dimension of these organized criminals is their transit routes, whether the routes are used for drugs or for other things. Potentially, those who control clandestine transit routes, can become useful for terrorists. Consequently, it has become necessary for those concerned with terrorism, as the Homeland Security Agency in the United States, to monitor such gangs and their communications in order to be aware of

any increase in the possibility of such organized criminals branching out into selling their expertise to terrorists.

The problems in organizing international strategies for dealing with international, organized crime are essentially two: first, that decision making among states is more difficult than decision making within a single state. Second, the international dimension of crime is multifaceted. That is, the traffic in drugs, which has been countered over the past twenty or thirty years by a single-minded strategy of eliminating production, a strategy remarkable for its failure, has been linked to money laundering, the traffic in arms, and the traffic in people. The drug cartels control transit routes which have become assets in the international networks of illicit activity.

With regard to the first problem, the central difficulty is the asymmetry between states, particularly the history and current practice of United States hegemony in the region and the heavy tradition of Monroeism and unilateralism on the part of the U.S., which has the double negative impact on regional collaboration of the difficulty officials in the U.S. have in cooperating and not dictating solutions and the sensitivity among the governments of the region to being bullied by the U.S. and unilateralism. In the very specific case of drug trafficking, one of the issues that must be confronted is that the United States provides more than 75% of the arms used by criminal gangs in Latin America and the U.S. government appears incapable of doing anything to stem the flow of these arms into Latin America. An international solution to the problem of drug trafficking without touching the

export of arms or the demand for drugs in the U.S. begins with very little chance of success. To further complicate the search for an international or multilateral solution to international criminal activity is the historic lack of international mutual confidence among the states of Latin America. The consequence of this means that even if the inequality with the U.S. could be neutralized, it is not clear that the nations of the hemisphere or any subregion in the hemisphere, such as Central America or the Caribbean or the Andean group would be capable of working together to reduce the flow of illegal drugs or to reduce international criminal activity in any way.

The second problem – that international crime is a multi faceted activity – complicates crime prevention because it involves a multiplicity of government organizations. Often these organizations are coordinated imperfectly within a specific nation without even beginning to evaluate coordination across state borders. There are different international rules and treaties concerning traffic in drugs, traffic in people, money laundering and so forth. Even criminal codes are not uniform across nations. On the other hand, the very multifaceted nature of the criminal activity opens an avenue to preventing criminal activity and combating crimes already committed. For example, it might be possible, under the leadership of the U.S. Treasury, to make it more difficult to launder money within the hemisphere. That might lead drug cartels to conduct more transactions in kind rather than money; or, assuming intelligence sharing across agencies, it might provide information on the movement of hot money that would enable agencies such as the DEA to

track criminals. It is also true that the international consensus against the traffic in people, especially women and children, makes it possible to win the cooperation of governments that might be reluctant to collaborate in other crime prevention activities. The traffic in people, unlike drugs, has clear victims and does not present the same thorny issue of supply and demand as does the traffic in drugs or arms. In other words, it is possible to attack the networks and transit routes of organized criminal groups through what we might call a weak flank, such as money laundering, rather than attempting to mount a true multinational effort to reduce the traffic in drugs. Similarly, since 9/11, the U.S. has been able to win the cooperation of many nations in the hemisphere in combating terrorism when cooperation on combating drug traffic has proven to be extremely difficult. This suggests that the asymmetry among states might not always prevent cooperation if the agenda for discussion is framed in such a way as to minimize the threats to or the sensitivity of the weaker states in the proposed cooperative partnership. That may prove to be the path toward dealing with violence and instability on the international level.

Ernest R. May, *The Uses of History* (NY: Norton, 1975).

2. The presentation does not cover a discussion of appropriate macroeconomic policies designed to maximize urban efficiency and urban development, although it will refer to social and economic policies that affect the labor market, jobs creation, regulatory questions having to do with access to public services, and the relationship between economic development and social welfare. It does not cover intra-elite competitions that may be fought in the streets with violence except in those cases where the violence is used deliberately against popular groups, which might also be referred to as repression, and serves as the mechanism of their exclusion from urban services and from the urban job market. Guatemala and Colombia are two examples in which this is the case.

The classic literature putting this Dickensian myth to rest includes: R. L. Ayres, **Crime and violence as development issues in Latin America and the Caribbean** (1998); P. Fajnzylber, D. Lederman, and N.

Loayza, Determinants of crime rates in Latin America and the world: an empirical assessment (1998); A. Gaviria and C. Pages, Patterns of Crime Victimization in Latin America (1999); and J. L. Londono and R. Guerrero, Violencia en America Latina: Epidemiologia y costos (1999). The most recent study by the World Bank reiterates the ambiguity in the data. That is, with regard to street crime or petty crime, the preponderance of cases pits a relatively poor thief against a relatively wealthy victim. However, with regard to violent crime, most of the cases are between criminals and victims of the same socioeconomic stratum. And, most compelling, the overwhelming majority of victims of violent crime are young, poor males.

The same suggestion of threshold levels is in Gutierrez, in LASAForum, op. cit.

See the piece by Rosemary Thorp in the LASAForum (2009).

Allison Garland, Mejgan Massourmi, and Blair Ruble, eds., Global Urban Poverty: Setting the Agenda (2007); Caroline Wanjiku Kihato, Mejgan Massoumi, Blair A. Ruble, Pep Subiros, and Allison G. Garland, eds., Urban Diversity: Space, Culture, and Inclusive Pluralism in Cities Worldwide (2010); and Michael A. Cohen, Blair A. Ruble, Joseph S. Tulchin and Allison M. Garland, eds., Preparing for the Urban Future (1996).

Young does not like the dichotomous pairing of exclusion and inclusion. He prefers to see the boundaries between the two as porous and to focus on the anxiety produced by identity in a situation of discrimination and by relative deprivation, so that exclusion can become, in part at least, a matter of perception. I have no quarrel with his position. I argue that the central tendency of public policy can be determined as either toward one or the other of the two directions.

The recent literature on crime and violence and its impact on governance and on economic development is very extensive. See, The World Bank, Crime and Violence in Central America (2011); Tulchin, "Crime and Violence: the Threat of Division and Exclusion in Latin American Cities," in Kihato, et. al, op.cit; Mercedes S. Hinton, Police and Politics in Argentina and Brazil (2006); Antonio Sergio Alfredo Guimaraes, et. al., "Inequality and Violence in Latin America," LASAForum (2009); Tulchin and Meg Ruthenburg, eds., Toward a Society under Law: Citizens and Their Police in Latin America (2006); Jessica Varat, compiladora, Seguridad Ciudadana en las Americas (2007); Hans Mathieu and Paula Rodriguez Arredondo, eds., Seguridad Regional en America Latina y el Caribe (2011); Erik Alda and Gustavo Beliz, eds., ?Cual es la salida? La agenda inconclusa de la seguridad ciudadana (IADB, 2007); and the research being done by Rut Sautu and her students at the University of Buenos Aires, e.g., Alejandra Otamendi, "Interpretaciones sobre seguridad ciudadana y sobre el rol del Estado de los argentinos" (2009).

Recent work by Diego M. Fleitas, "La seguridad Ciudadana en Argentina y su relacion con el Contexto Regional" (2010); "Los Planes de Recoleccion de Armas en Latinoamerica" (2010, IDB) Gutierrez, LASAForum refers to this form of criminal activity as social banditry.

Bobea's chapter in the 2010 Anuario of the Ebert Foundation, op. cit.

On the linkage among the local, national and international levels in dealing with gangs and drugs in Central America, Mexico and the United States, see Natalia Armijo, Raul Benitez Manaut, and Athanasios Hristoulas, "Las 'maras' y la seguridad del triangulo Mexico-Extrados Unidos-Centroamerica,;" in Carlos Barrachina, ed., Democracias en transicion en Honduras y Nicaragua Gobernabilidad, seguridad y defensa (Mexico: Plaza y Valdes, 2009).

See, Moises Naim, Illicit (NY: some press, 2005)

