

# Long-Run Crime Prevention Policies

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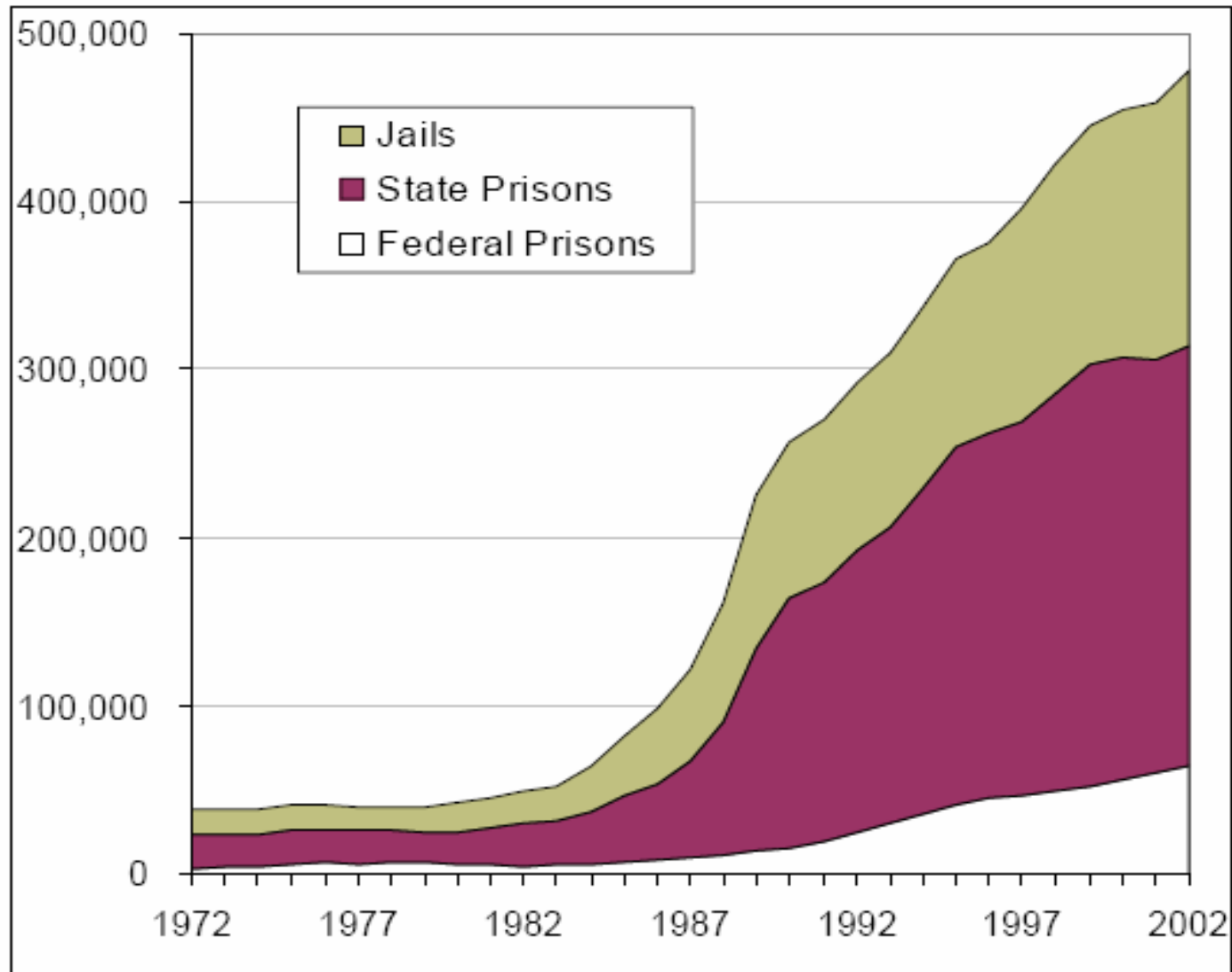
# I. Legalize (and regulate) drug trafficking

- Prohibition has not deterred drug trade and consumption
- Even worse,
  - It has wasted scarce resources
  - It has created a market for organized crime

## Prohibition has been costly *and* ineffective even in the US

- \$35 billion spent annually on fighting drugs at the end of the 1990s, up from \$10 billion in the mid-1980s (Reuter, 2001)
- 1 in every 4 prisoners is in jail for drug-related offenses, mostly non-violent (Caulkins and Chandler, 2005)
- Drug prices are stable or declining and consumption is not decreasing. In fact, drug related hospitalizations are increasing (Grossman, 2004)

Figure 1: The Number of Adults Incarcerated for Drug Law Violations in the US Has Grown Sharply Over Time



**Figure 2**  
**Real Cocaine, Heroin, and Marijuana Prices 1975-2003**

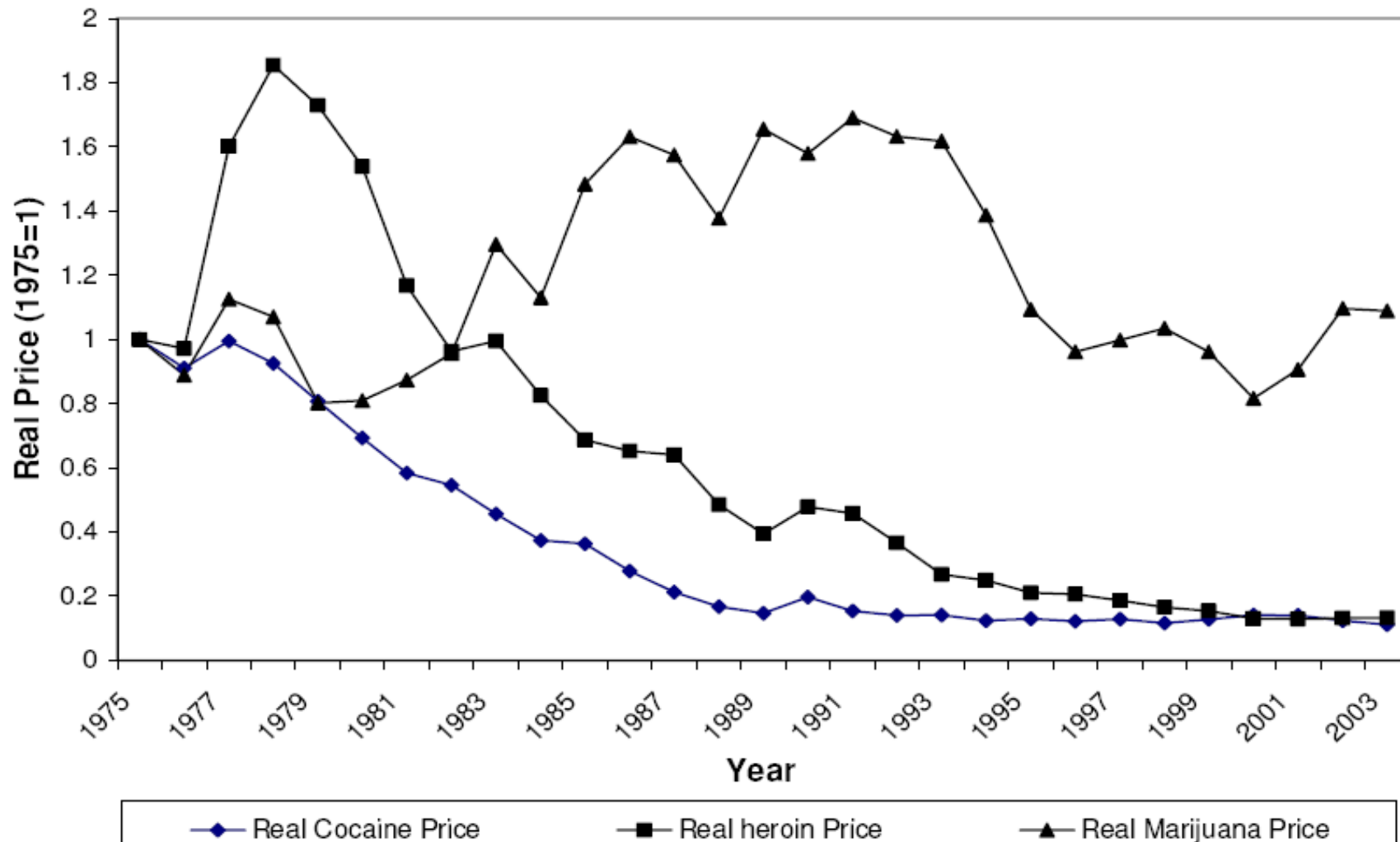
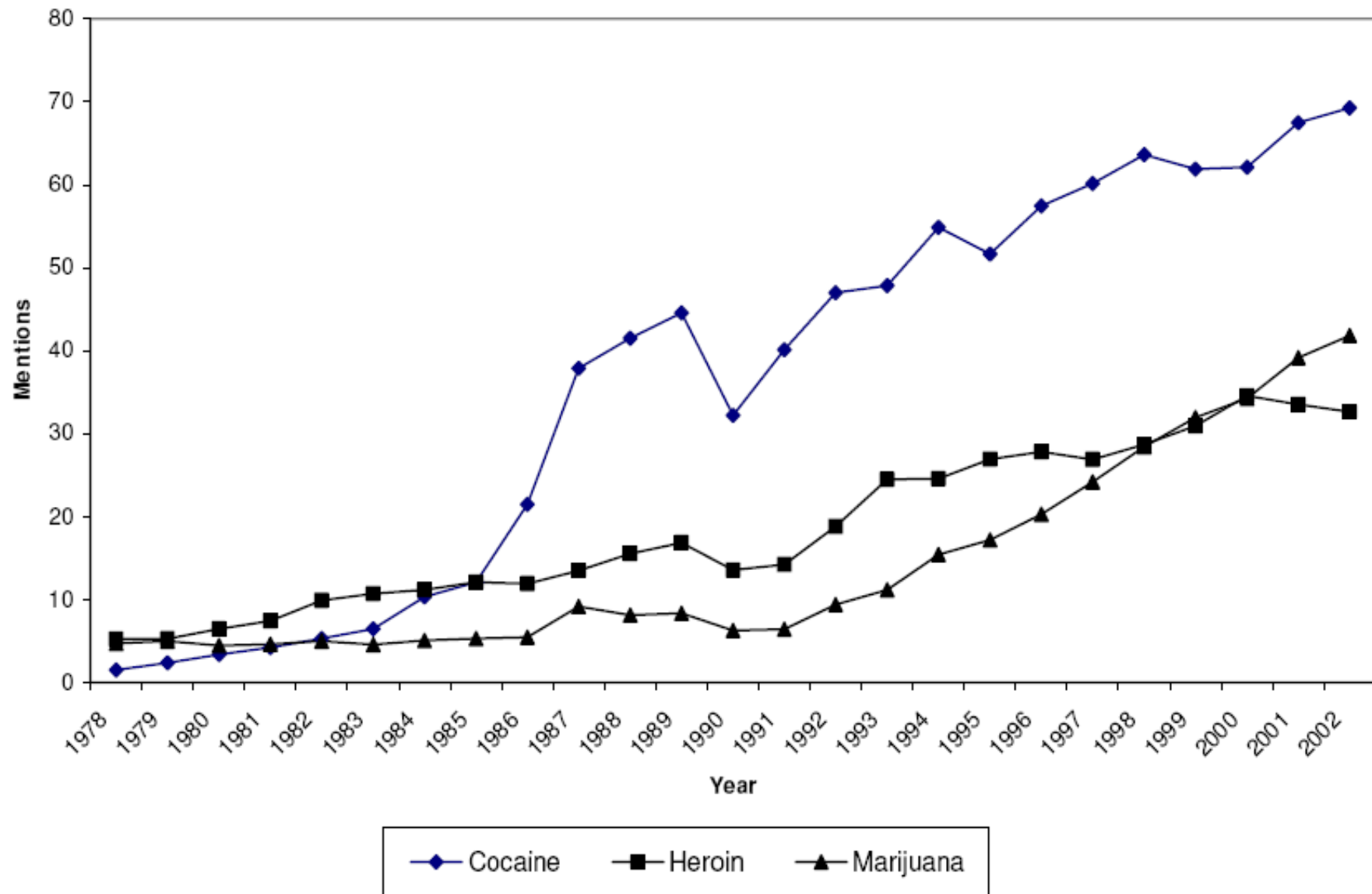


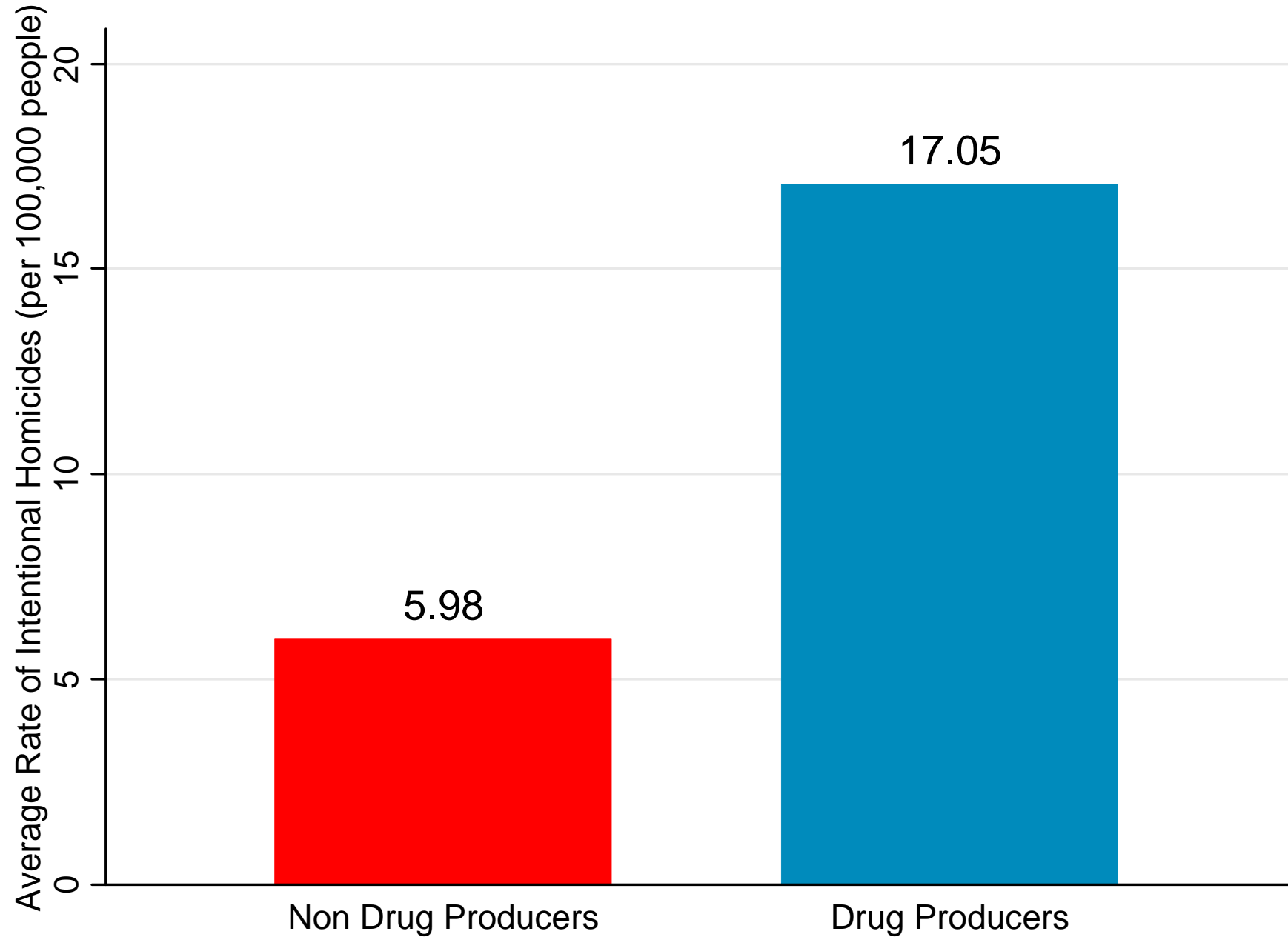
Figure 5  
Rates of Hospital Emergency Room Marijuana, Cocaine and Heroin Mentions, 1978-2002  
(per 100,000 population)



# Organized crime: *the only clear winners of the prohibition policy*

- corrupts government officials
- promotes insurgency and political instability
  - Shining Path in Peru
  - FARC in Colombia
- induces other types of crimes
  - a perverse “learning by doing”
- thrives in the use of violence
  - playing to criminals’ comparative advantage...

# Drug production and violent crime



# Decriminalize also...

- Prostitution?
- Gambling?
- Abortion?

➔ Trying to fight these “evils” may be leading to far worse evils

“One will discover that something which appears to be a virtue, if pursued, will end in his destruction; while some other thing which seems to be a vice, if pursued, will result in his safety and his well-being”

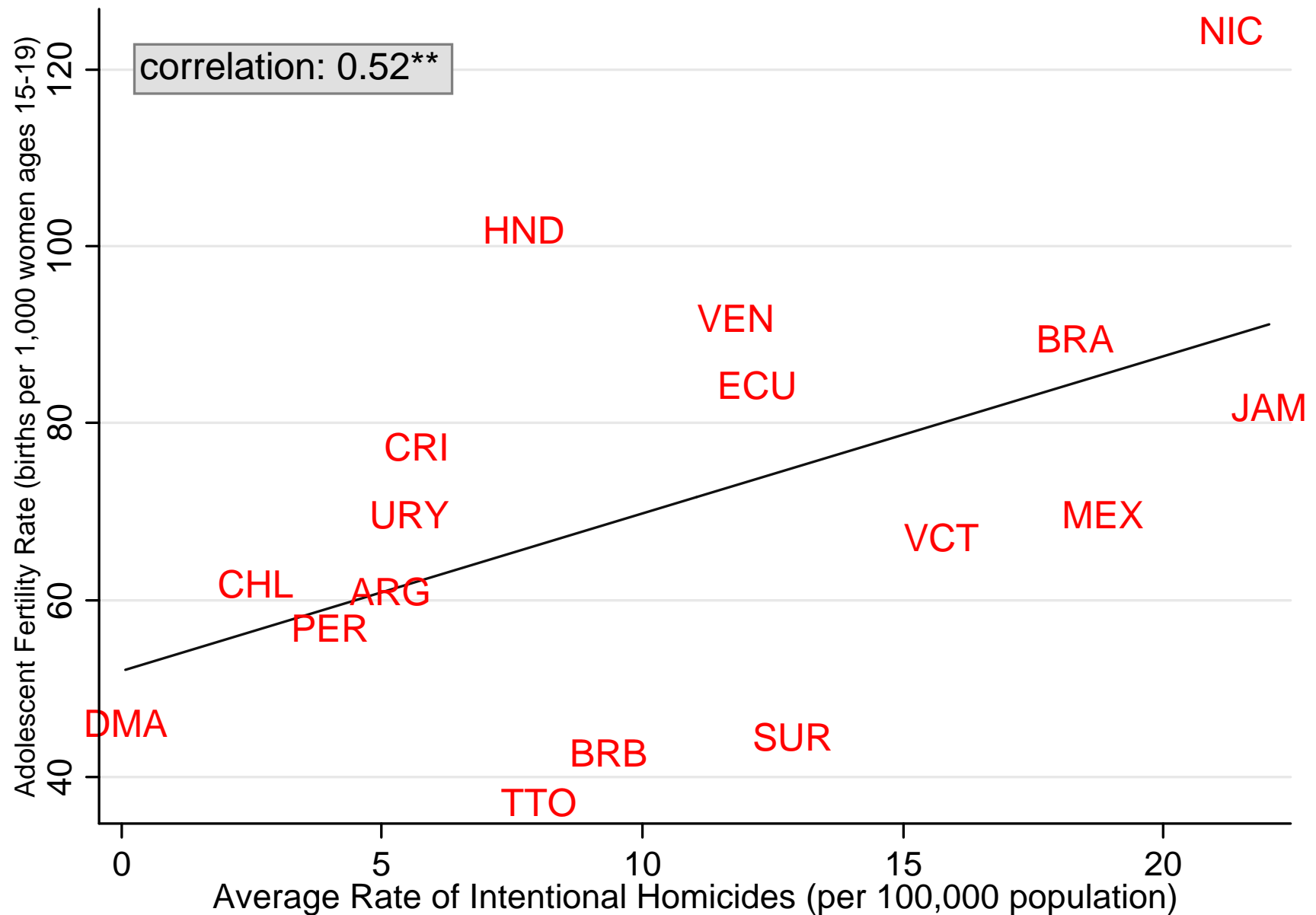
Machiavelli, *The Prince*,  
Chapter XVI, p. 128.



## II. Promote family planning

- Unwanted children will not be properly raised and will likely fall into a life of misery and crime
  - Donohue and Levitt (2001, 2006): (controversial) evidence for the case of abortion
  - Lott and Whitley (2007): abortion may be counter-productive when not accompanied by responsibility
  - Teen pregnancy and violent crime in Latin America and the Caribbean

# Teen pregnancy and violent crime



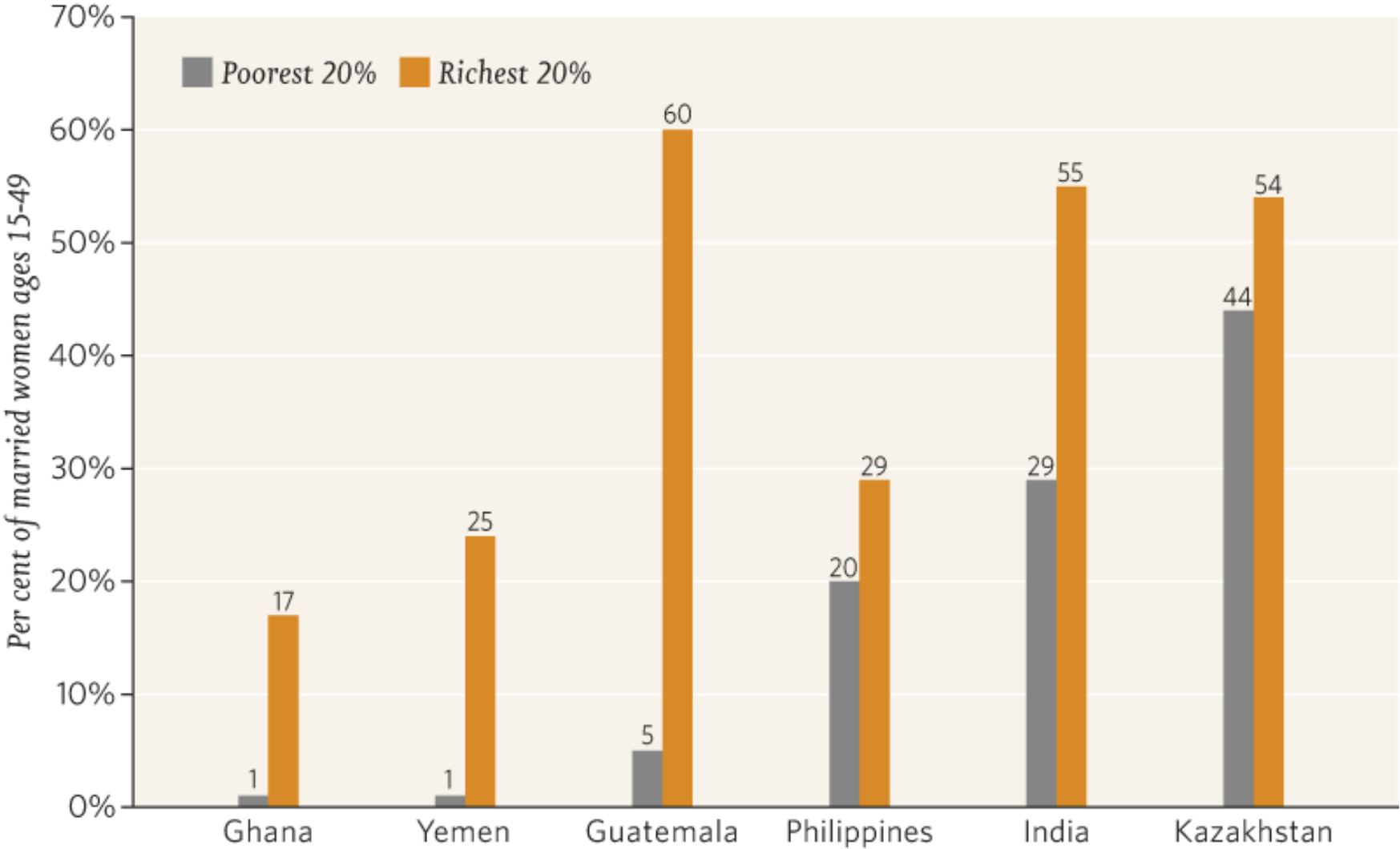
## A conjecture:

- Higher fertility among the poor is the result of lack of family planning. This in turn reflects lack of women's power and lack of men's responsibility regarding fertility
  - *Cultural mores: Machismo*
  - *Legal biases*
  - *Economic disparities*

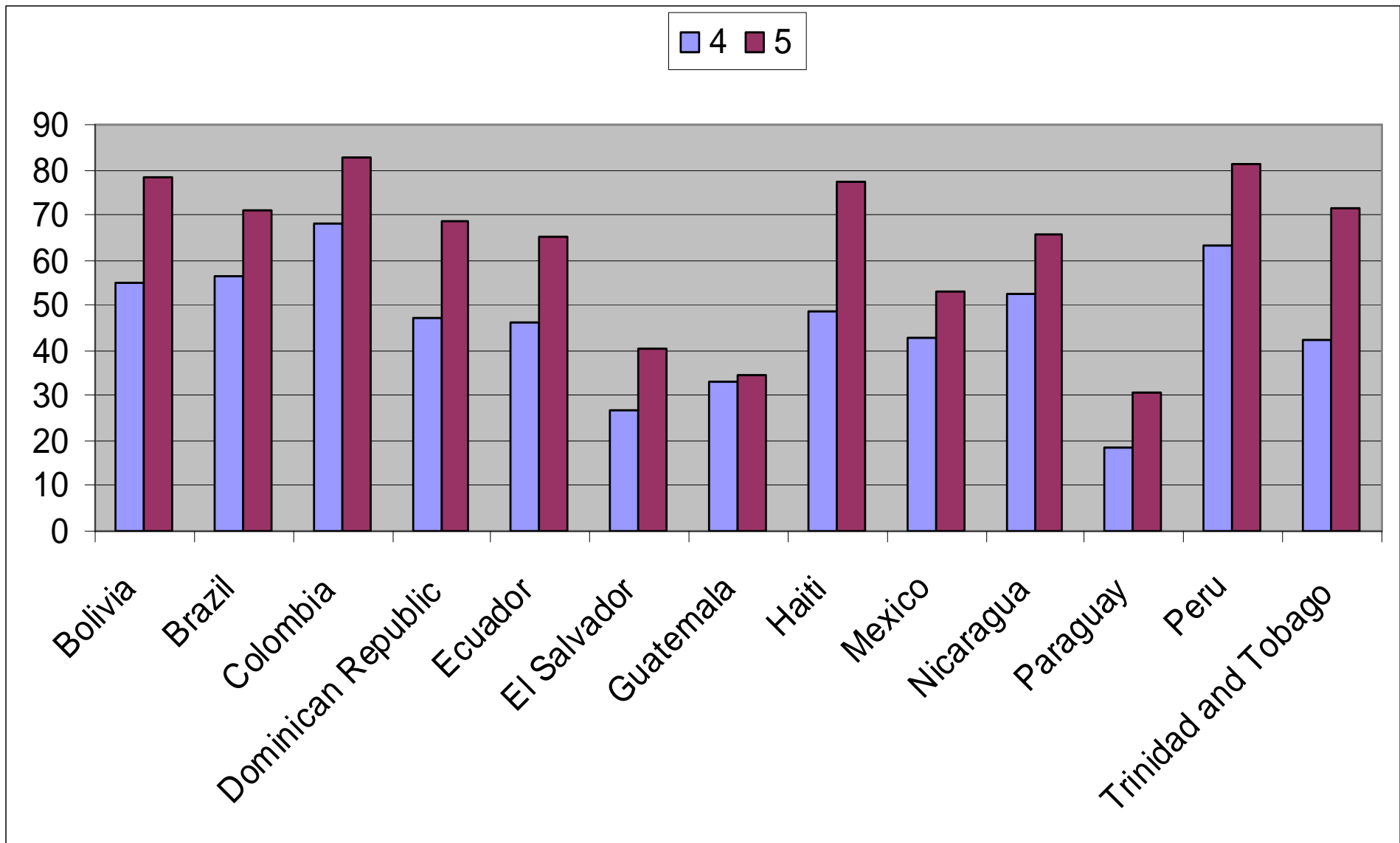
# Empower women regarding fertility...

- 201 million married women in developing countries expressed an ***unmet need*** for family planning (Singh et al. 2004, and UN's *State of the World Population 2005*)
- Most women who do not use contraceptives come from poor households (World Bank, 2004)

# Contraceptive use according to wealth



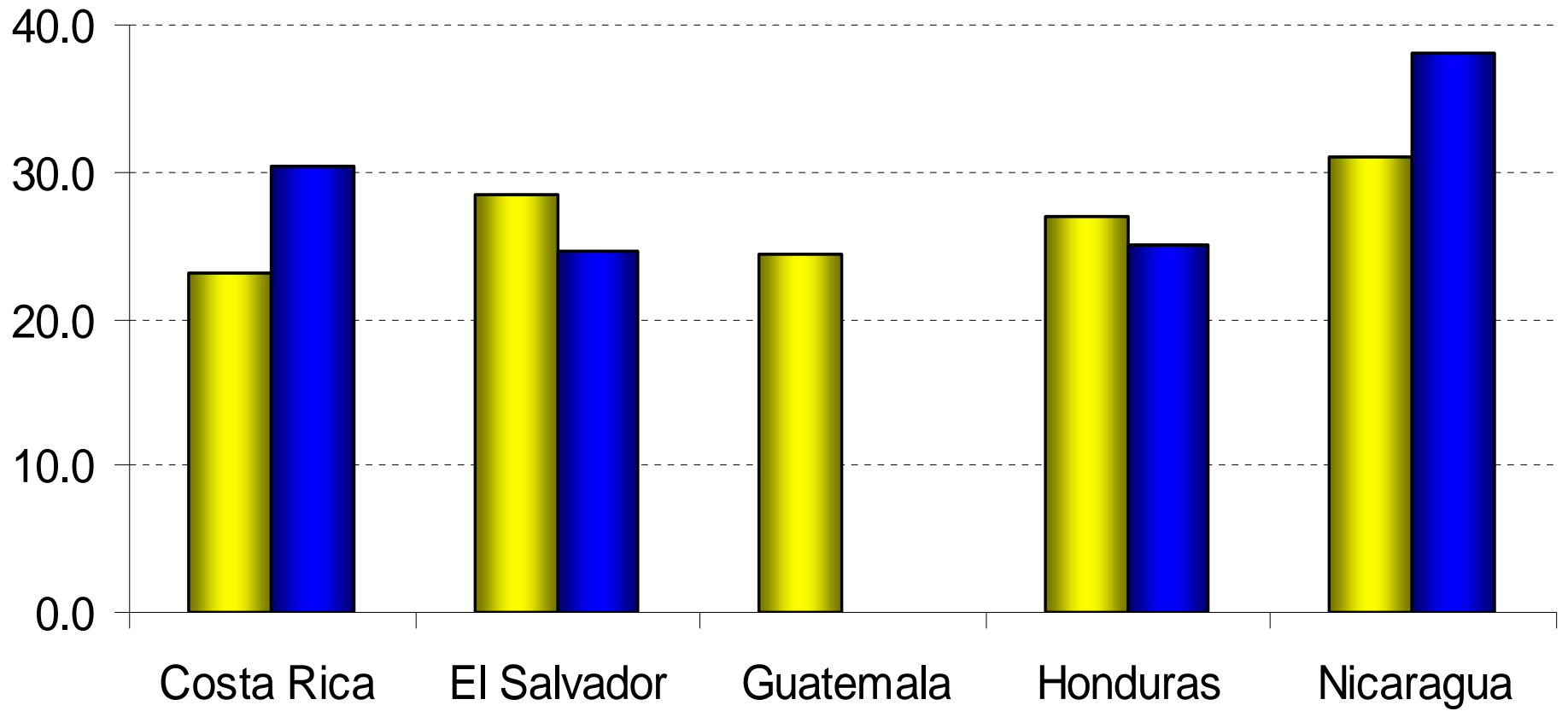
# Married women who would have preferred fewer children (%)



# Make men also responsible...

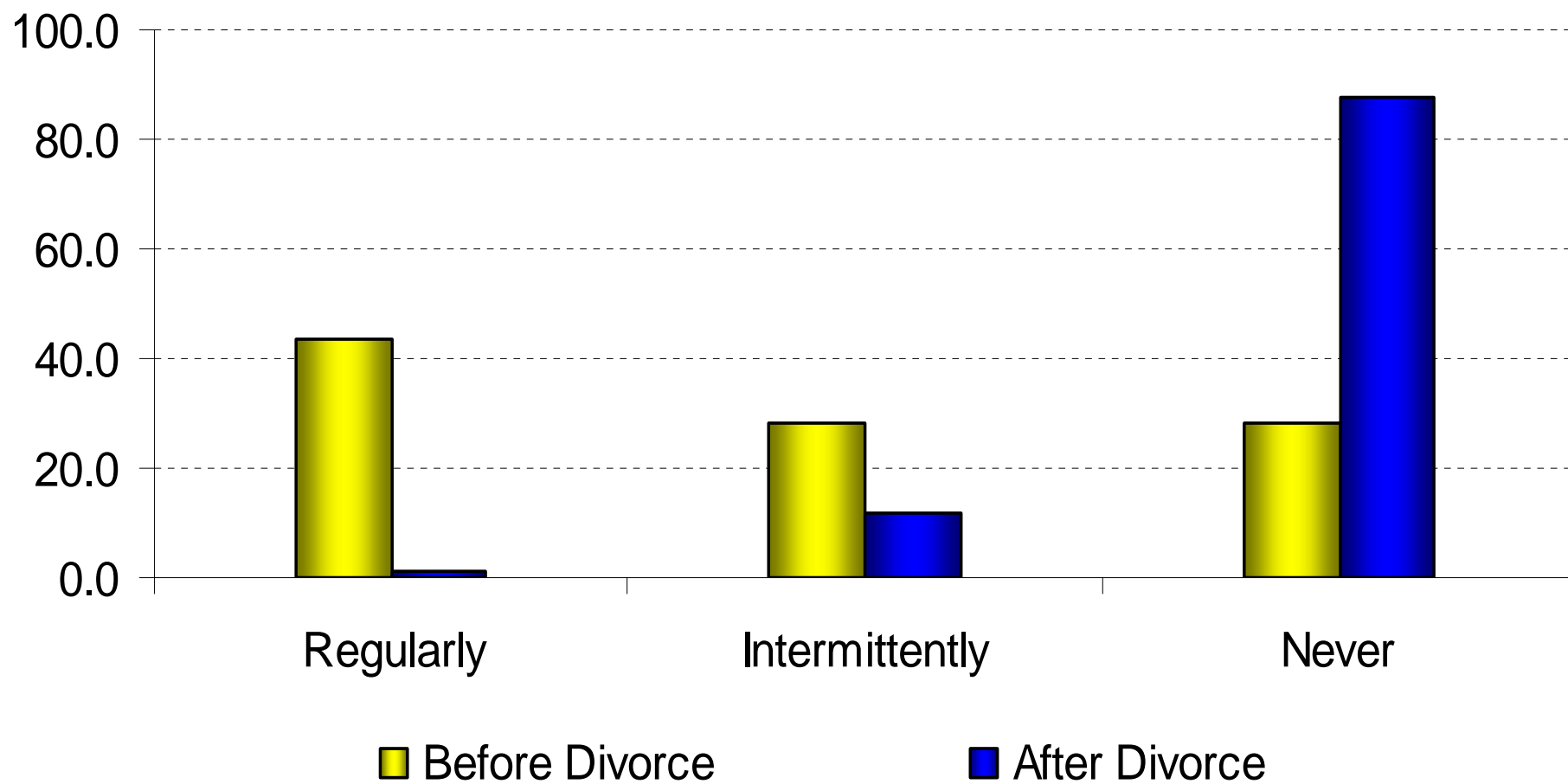
- In societies that regulate almost every instance of social and economic life, there is however incredibly little regulation and enforcement on responsible parenthood
  - *Paternidad responsable??*

## Responsible Parenthood

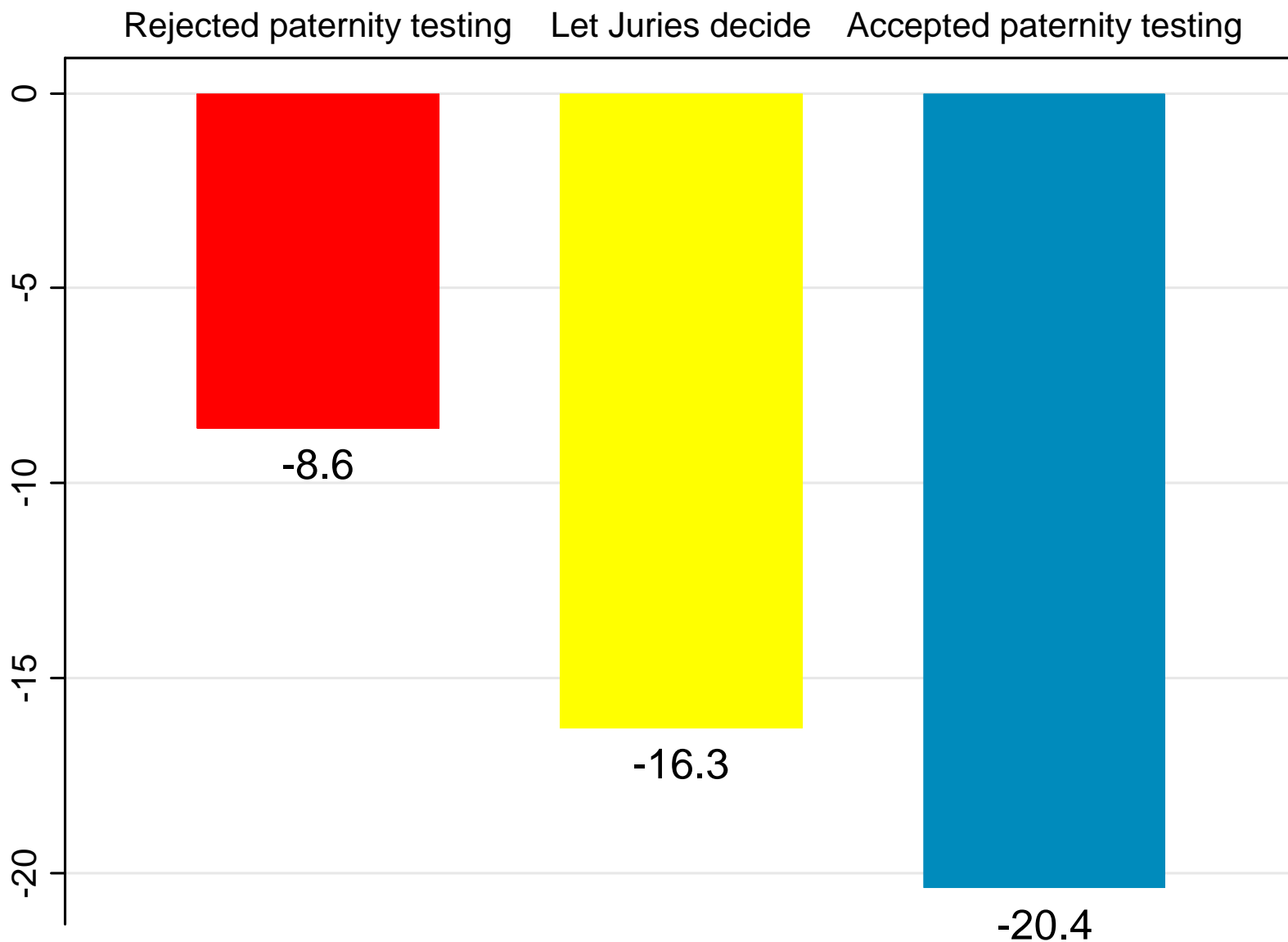


■ Woman as head of the household ■ Children not recognized by the father

## El Salvador: Percentage of women receiving economic support from their partners

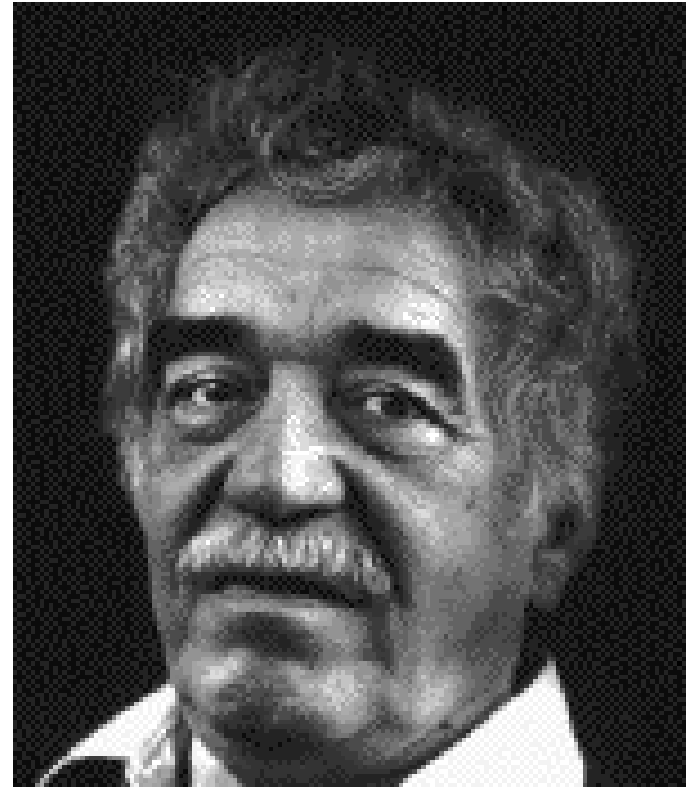


# Paternity testing and change in fertility: Europe, circa 1930



“It was estimated that in the course of his life, he had more than five thousand children... but no one carried his first or last name... because he considered that no one was son of anybody other than his mother’s, and only hers. This certainty was valid even for him, as it was well known that he was a man without a father...”

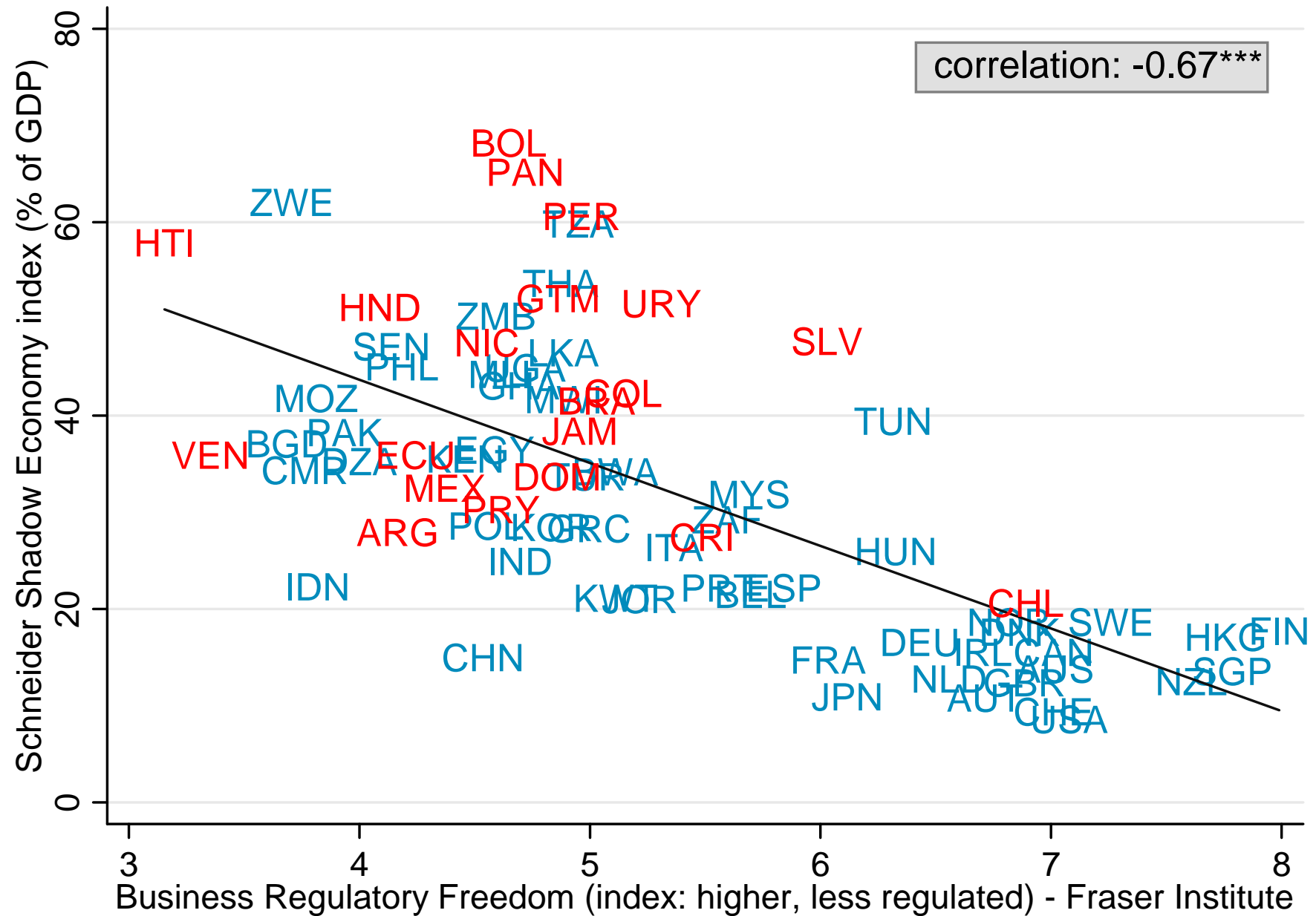
García Márquez, *The Autumn of the Patriarch*, p. 48.



### III. Deregulate to reduce informality and corruption

- *The paradox of legalism*: countries that impose more laws and regulation are those where they are less respected
  - Larger informality
  - Pervasive corruption

# Informality and regulatory freedom





## The bad side of informality...

- Informality and even corruption are preferable to stagnation, but they do have negative consequences:

→ *They create an environment where crime and violence are not only tolerated but also required*

→ *Ex. Santa Anita market, Lima*

# Informality, corruption, and crime

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<b>variable</b>	<b>Informal Activity (Schneider)</b>
<b>Corruption Index (ICRG)</b>	0.60*** 118
<b>Homicide Rate (UN)</b>	0.29*** 83

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Notes: \*\*\* denotes significance at the 1% level. Sample sizes are presented below the corresponding coefficients.

# Conclusions: Policies for the Long Run

- ***Pick your (legal) battles***
  - Selective and limited criminalization
    - problems don't get solved by decree!
  - Focus the resources of the state to limited interventions
    - priority: personal safety
- ***Sex may be personal, but fertility is a social issue***
  - Empower women, make men responsible