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Title: Does Benevolence Reduce Crime? The impact of humanitarian interventions on crime and violence in Northern Mexico



The development of South and Central American Societies are hindered by violence which is largely driven by drug cartels. Accordingly, crime and violence was identified as the largest impediment to international relationship and sustainable socio-economic growth by the Mexican government in 2006. However, their efforts to reduce criminal events through declaring a war against organized crime only resulted in increased in violence in Mexican Communities. The increase in homicides, in particular, has been stark, as drug trafficking groups fought each other and the government. As a more benign response, from 2011 the Mexican government as well as USAID implemented a series of humanitarian interventions in the bordering Northern States of Mexico to enhance security and reduce violence. We propose to study the possible causal impact of these activities in the cities of Tijuana, Ciudad Juarez, Chihuahua City, and Monterrey in reducing crime differentiated into homicide, robbery, kidnapping and rape. We have collected data on all criminal activity that has been reported to local police at the city-level as well as information on intervention funding levels from 2011 through 2018. We initiate our empirical analysis through geo-referencing the trends of violence levels in the Northern Mexican States. We use several causal econometric models to analyze the effect of USAID funding on homicides as well as other trends and drivers. Specifically, we report if fluctuations in funding levels both by USAID and Mexican Government impact the level of violence. By performing a difference in difference estimation we show that benign interventions significantly reduce homicide, rape, robbery and kidnapping rates per capita. We estimate these interventions to have resulted in a 45 percent decrease from the peak per capita homicide levels of 2011. Our results are validated through a Synthetic Control Method that establishes a counterfactual for the level and trend of intentional homicides in the area of interest. Our research highlights the importance of humanitarian community level interventions both by domestic governments and foreign entities to enhance security and reduce crime. We also prescribe against the usage of violence by local governments as the primary mechanism to prevent crime.