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Source: *The American Economic Review*, Vol. 103, No. 3, PAPERS AND PROCEEDINGS OF THE One Hundred Twenty-Fifth Annual Meeting OF THE AMERICAN ECONOMIC ASSOCIATION (MAY 2013), pp. 284-288

Published by: American Economic Association

Stable URL: <http://www.jstor.org/stable/23469744>

Accessed: 21-08-2016 13:25 UTC

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## GENDER AND DEVELOPMENT‡

# The Impact of Crime and Insecurity on Trust in Democracy and Institutions†

By LUISA BLANCO AND ISABEL RUIZ\*

The presence of weak institutions is commonly described as a limiting factor of economic growth in developing countries (Acemoglu et al. 2003). One key determinant of institutional quality is the trust of citizens in institutions. Trust in the political system and in institutions is related to the levels of social capital in a country, where social capital has been considered a key determinant of economic growth and development (Knack and Keefer 1997). Trust in institutions is likely to be affected by numerous factors. Among these factors, the perception of insecurity and crime are likely to play an important role.<sup>1</sup> This article provides evidence of the impact of crime and the perception of insecurity on the trust of citizens in democracy and institutions using data from Colombia.

Latin America has one of the highest crime rates in the world, and Colombia is a particularly interesting case within the Latin American context. While it has one of the oldest democracies in the region, it also has a long history of violence and crime that surpasses that of any other country

in the region (a fact coined in the literature as the “Colombian Paradox” (Tuft 1997). Colombia has experienced widespread violence since the mid-twentieth century. Its history of endemic violence started as the result of conflict between the two main political parties of the country (a period known as *La Violencia* 1948–1957). This conflict transformed years later into a conflict between Marxist guerrilla groups, the military, and paramilitary groups. Since the early 1980s the level of violence was further fuelled by the involvement of drug lords and illegal drug export activity. The homicide rates in Colombia reached peak proportions in the late 1980s and 1990s due to the drug cartel rebellion against the government’s initiatives to decrease the drug business and illegal crops. Crime and violence have been very costly for Colombia not only in terms of human lives but also in economic terms. There is empirical evidence that crime has cost Colombia nearly 2 percentage points in economic growth since the 1980s (Cárdenas and Rozo 2008).

Starting in the early 2000s, there has been a significant reduction of violent crime. For example, the homicide rate at the national level (number of homicides per 100,000 habitants) decreased from 70.2 in 2000 to 33.4 in 2010, and the number of registered kidnappings has decreased from 3,572 cases in 2000 to 282 cases in 2010. The drug business and paramilitary activity have been decimated with most drug lords and organizations being seized and cultivation of coca being decreased by almost 60 percent (United Nations Office on Drugs and Crime Report 2012). However, Colombia still ranks amongst the top five countries in terms of homicides in Latin America. Also, the Global Peace Index has consecutively ranked Colombia (since it started in 2007) amongst the top five least peaceful countries in the world.

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† To view additional materials, and author disclosure statement(s), visit the article page at <http://dx.doi.org/10.1257/aer.103.3.284>.

<sup>1</sup> See Blanco (2012) for a comprehensive review of the literature.

In this article, we use survey data from the Latin American Opinion Project (LAPOP) for Colombia during the period 2004–2010 to analyze the impact of insecurity, crime victimization, being affected by the armed conflict and being asked for a bribe on support for and satisfaction with democracy and trust in institutions. The empirical approach in this analysis expands on previous work by using a framework of repeated cross sections of surveys and is similar to the approach followed by Blanco's (2012) analysis of the Mexican case.

### I. Methodology and Data

To determine the impact of crime and perceptions about insecurity on democracy and trust in institutions, we estimate the following regression in a cross-section of surveys:

$$(1) \quad Y_{it} = \alpha + \beta_1 \text{victim}_{it} + \beta_2 \text{insecurity}_{it} \\ + \beta_3 \text{armed\_conflict}_{it} + \beta_4 \text{bribe}_{it} \\ + X\delta + P\rho + T\gamma + D\mu + \varepsilon_{it},$$

where  $i = 1, 2, \dots, i$  and  $t = 1, 2, \dots, T$ .  $Y_{it}$  represents the value of the dependent variable for the  $i$ th person in the  $t$ th survey,  $\alpha$  is a vector of constants,  $X$  and  $P$  are vectors of individual and department (i.e., state) level characteristics presumed to affect the dependent variable,  $T$  is a vector of time dummies for the survey years,  $D$  is a vector of department dummies, and  $\varepsilon_{it}$  is a vector of error terms.

Our variables of interest, which are related to crime and insecurity, are the following. The variable *victim* is equal to one if the individual has been a victim of a crime in the past 12 months, and equal to zero otherwise. The variable *insecurity* is an index of perceptions of insecurity in the 1–4 scale, where 4 represents feeling very insecure and 1 very secure. The variable *armed\_conflict* is a dummy variable equal to 1 if the individual lost a family member (died or missing) or a family member became a refugee or had to migrate to another country as a result of the armed conflict. The variable *bribe* is a dummy variable equal to 1 if a member of the police forces or a public employee asked the individual for a bribe in the last 12 months.<sup>2</sup>

For the dependent variables we explore two different variables related to democracy: support for and satisfaction with democracy. The variable support for democracy is in the 1–7 scale, and the variable of satisfaction with democracy in the 1–4 scale, where higher values represent higher support and satisfaction with democracy. In relation to trust in institutions, we use as dependent variables an index of trust in institutions in the 1–7 scale, where higher values represent higher levels of trust. We consider two types of institutions in our analysis: (i) institutions related to the government in general, and (ii) institutions related to the criminal justice system. The dependent variables explored are indices of trust in the following institutions: political institutions, national government, congress, armed forces, judicial system, Prosecutor's Office (Fiscalía), Attorney's Office (Procuraduría), Ombudsman's Office (Defensoría), and Police. We estimate equation (1) using an ordered logit (ordered categorical dependent variable) with cluster-robust standard errors (clustering by geographic areas that represent the primary sample units).

To control for individual characteristics we include the following variables: urban (equal to one if the individual lives in a urban area, equal to 0 if individual lives in a rural area), size of the city (where the individual lives, 1–4 scale, 4 for metro area, 1 for smallest city), male (equal to 1 if male, 0 otherwise), race (white and mestizo dummies, reference group: indigenous, afro-descendent, and others), age (level and squared), children (equal to 1 if the individual has children, equal to 0 otherwise), marital status (equal to 1 if the individual is in a relationship, married, or cohabiting, equal to 0 otherwise), income (in a 0–10 scale, where higher values represent higher levels of income), years of education (0–18, higher values represent more years of education). For the department (or state) level variables we include in equation (1) GDP per capita and life expectancy.

All the individual level variables were obtained from the Latin American Public Opinion Project (LAPOP) surveys conducted yearly during the 2004–2010 period (seven years), which are representative at the national

<sup>2</sup>Corruption is captured by bribing behavior (being asked for a bribe) by public employees and it is another form of

crime that can also erode trust in institutions (Clausen, Kraay, and Nyiri 2011).

level for voting age adults (18 years and older, 25 departments out of 32) and use a complex sample design, where stratification and clustering are taken into account. The sample size for each wave is around 1,500 observations and it is an unweighted survey. The department level data was obtained from the Colombian National Department of Statistics (Departamento Administrativo Nacional de Estadística, DANE).

## II. Results

Table 1 presents the coefficients and robust standard errors of our variables of interest (*victim*, *insecurity*, *armed conflict*, and *bribe*) for the estimations based on the model specified in equation (1). Panel A in Table 1 shows the estimates for the regression using satisfaction and support for democracy as dependent variable. The insecurity index has a negative and significant effect on satisfaction with and support for democracy.<sup>3</sup> Interestingly, when looking at the impact of being a victim of crime on satisfaction and support for democracy, we find opposite but not necessarily contradictory results. The victim dummy has a significant negative coefficient in the regression that uses satisfaction with democracy as dependent variable, and a significant positive coefficient when using support for democracy as dependent variable. Furthermore, armed conflict and bribe dummies both have a significant negative effect on satisfaction with democracy, but no significant effect on support for democracy.<sup>4</sup>

In relation to the impact of being a victim of crime and perceptions of insecurity on trust in institutions, in Table 1, panel B shows the coefficients and robust standard errors when we use four general institutions as dependent variables, and panel C when we use five different institutions related to the criminal justice system. In all these estimations, the insecurity index has a significant negative effect on trust in institutions. The victim dummy has a significant negative effect in most cases, but it is not statistically significant when we use trust in political

institutions and armed forces as dependent variables. The armed conflict dummy has a significant negative effect on trust in institutions in five cases out of nine (significant for trust in political institutions, congress, judicial system, prosecutor's office, and police). The bribe dummy is negative and statistically significant for all cases, but one (it is not statistically significant when using Ombudsman's office as dependent variable).

Interestingly, the size of the coefficient for the victim dummy is of larger magnitude on average and more statistically significant for those institutions related to the criminal justice system. The average of the coefficients in panel B for the victim dummy is  $-0.13$ , while in panel C is  $-0.17$ . Thus, being a victim of crime diminishes your trust in the criminal justice system more than your trust in other institutions. In relation to the impact of perceptions of insecurity, the negative effect of insecurity on trust is of similar magnitude for those institutions closely related to the criminal justice system and other institutions. The average of the coefficients of the insecurity index in panels B and C is equal to  $-0.11$  and  $-0.10$ , respectively. Another interesting observation is that for all of our variables of interest related to crime, violence, and bribing, the size of the coefficients are of largest magnitude in the regression that uses trust in the police as dependent variable. Thus, being affected by crime seems to have the largest negative effect on trust in the police. It is also interesting to note that in almost all cases (seven out of nine), the bribe dummy shows the largest negative significant coefficient, with respect to the other crime related variables. This result shows that dealing with the issue of bribing is of extreme importance in order to increase trust in institutions.

We also explore how the crime related variables of interest affect trust in others. The coefficients of our variables of interest, with robust standard errors, are shown in panel D of Table 1. Surprisingly, we find that only the index of perceptions of insecurity has a negative significant effect on trust in others. This is a relevant finding since trust in others is one of the most important indicators related to social capital. Thus, an environment of insecurity seems to deteriorate social capital not only from the institutional side, but also from the relationship between individuals.

<sup>3</sup> Significance will be denoted in this paper at least at the 5 percent level.

<sup>4</sup> We also estimated regressions with each of the variables of the interest one at the time and the results remained very similar to the ones presented in Table 1.

TABLE 1—IMPACT OF CRIME AND INSECURITY ON DEMOCRACY AND TRUST IN INSTITUTIONS

Variable of interest	Victim	Insecurity	Armed conflict	Bribe
<i>Panel A. Democracy as dependent variable</i>				
Democracy satisfaction	-0.2134*** (0.0521)	-0.1996*** (0.0248)	-0.1694*** (0.0471)	-0.3000*** (0.0949)
Democracy support	0.1510*** (0.0547)	-0.1340*** (0.0217)	-0.0040 (0.0461)	0.0248 (0.0796)
<i>Panel B. Trust in institutions as dependent variable</i>				
Political institutions	-0.0779 (0.0530)	-0.0970*** (0.0219)	-0.1566*** (0.0499)	-0.1443** (0.0677)
National government	-0.1923*** (0.0531)	-0.1009*** (0.0200)	-0.0254 (0.0427)	-0.2554*** (0.0768)
Congress	-0.1263*** (0.0487)	-0.0994*** (0.0209)	-0.1128*** (0.0412)	-0.3397*** (0.0703)
Armed forces	-0.1052 (0.0549)	-0.1355*** (0.0200)	-0.0467 (0.0396)	-0.2495*** (0.0713)
<i>Panel C. Trust in the criminal justice system as dependent variable</i>				
Judicial system	-0.1348** (0.0530)	-0.0787*** (0.0283)	-0.1115*** (0.0417)	-0.3438*** (0.0631)
Prosecutor's office	-0.1915*** (0.0488)	-0.1074*** (0.0192)	-0.0906** (0.0392)	-0.2470*** (0.0609)
Attorney's office	-0.1779*** (0.0487)	-0.0880*** (0.0234)	-0.0280 (0.0414)	-0.1821** (0.0768)
Ombudsman's office	-0.1223** (0.0514)	-0.0851*** (0.0209)	-0.0753 (0.0393)	-0.1378 (0.0725)
Police	-0.2120*** (0.0500)	-0.1467*** (0.0195)	-0.2153*** (0.0359)	-0.4588*** (0.0661)
<i>Panel D. Trust in others as dependent variable</i>				
Others	-0.0601 (0.0533)	-0.4996*** (0.0282)	-0.0776 (0.0402)	-0.0989 (0.0635)

Notes: Controls: urban, size city, male, age, age squared, white, mestizo, children, relationship, income, education, GDP per capita, and life expectancy. Fixed effects included (time and department dummies). Observations included in the estimation are in the range of 8,916 and 8,297

\*\*\*Significant at the 1 percent level.

\*\*Significant at the 5 percent level.

\*Significant at the 10 percent level.

### III. Conclusion

In this article we show that the non-monetary effects of crime and insecurity, specifically its effects on social capital, are significant for the case of Colombia. These findings are similar to Blanco's (2012) findings for Mexico. Recognizing the impact of crime on democracy and trust in institutions is important for Colombia. A vast amount of resources have been channeled in order to fight crime, and significant progress has been made since the 2000s. However, we must be aware of the difficulties that Colombia faces in relation to the process of democratization due to

the armed conflict. We have shown in this analysis that crime and violence are contributing factors to the deterioration of satisfaction with democracy, which is problematic for furthering democratic institutions in the country.

The negative impact of crime on trust in institutions has important policy implications. The fact that crime is associated with less trust in institutions can be a limiting factor in the fight against drug trafficking in the country. As people distrust institutions, they will be less likely to report crimes, and therefore, more crimes will go unpunished. Distrust in institutions can also lead to less civic participation, which can

also be associated with lower quality institutions. Moreover, distrust in institutions leads to lower social capital, where lower social capital is likely to have a detrimental effect on economic development in Colombia.

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