

# **Sustainable development through crime control: a new challenge for criminologists**

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*Terms: crime victim survey, inequality, robbery, violence, organized crime, corruption, costs of crime, state capture, sustainable development, security and justice reform*

## **Introduction**

Conventional theoretical perspectives on crime see poverty and inequality as principal drivers of crime and economic and social development are therefore recommended as a strategy against crime. New directions in research have demonstrated that crime not just results from poverty but also deepens it by hampering development. Many developing countries are caught in a double bind of entrenched problems of poverty, inequality and insecurity. International organizations such as UNDP, the World Bank and UNODC are increasingly cognizant of the need to address crime and security problems as primary development challenges. Crime and underdevelopment are framed as interwoven and mutually reinforcing social evils. Criminologists are called upon to make a contribution to the emerging international policy agenda of sustainable development through evidence-based crime control (Van Dijk, 2014). To fulfill its mission, criminology should broaden its horizon by focusing on the increasingly serious crime problems of many non-Western countries, including in Latin America, a region experiencing a crime and security crisis with immediate implications for the USA.

## **The poverty-violence link**

There is ample evidence of the links between poverty and inequality and the level of crimes of serious violence at the global scale. In several epidemiological studies of levels of police-recorded criminal violence, including domestic violence, statistical relations have been found with income inequalities (Fajnzylber, Ledermann, Loayza, 2000; LaFree, Tseloni, 2006). Many countries in Africa (Swaziland, South Africa, Zimbabwe) and Latin America (Brazil, Colombia, Bolivia) where homicide rates are high, show high scores on both income inequality and on many measures of poverty/deprivation. As the former South African President Thabo

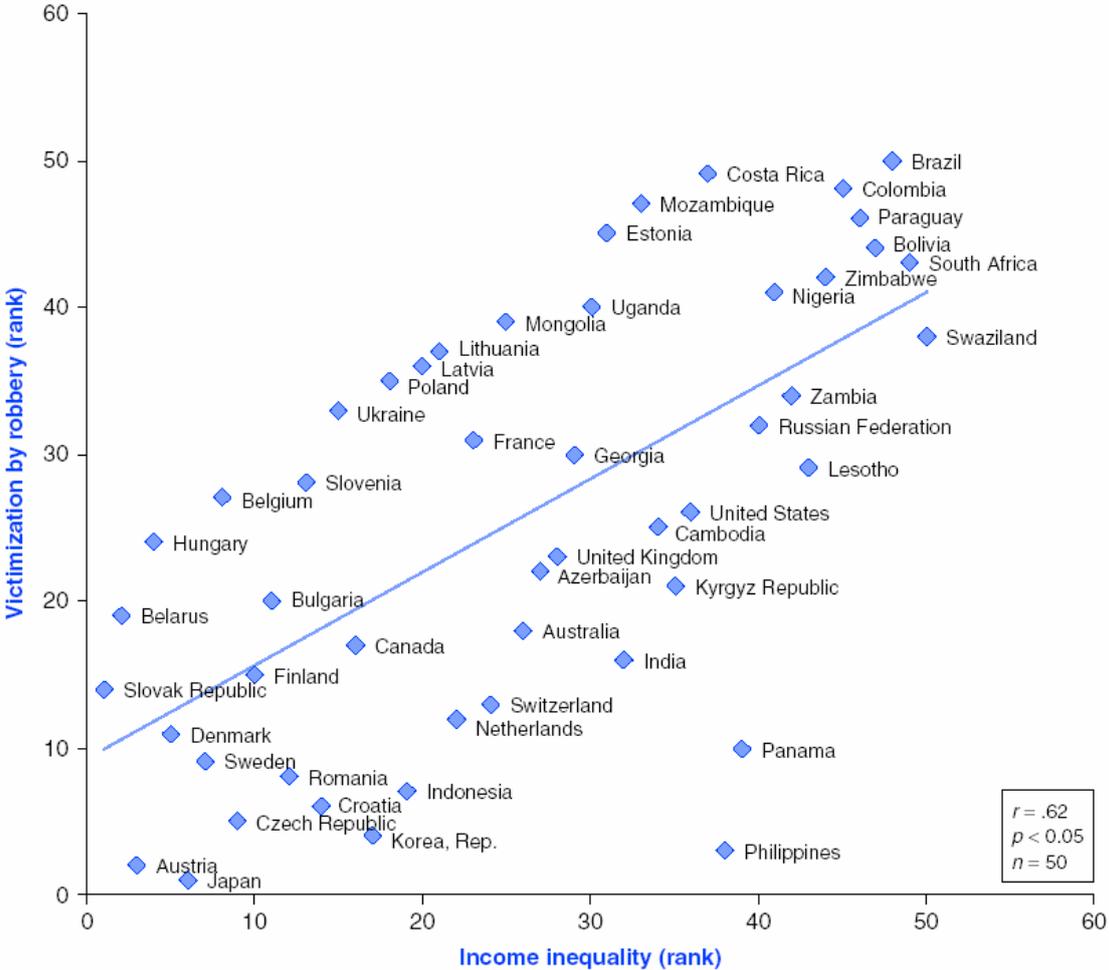
Mbeki argued in response to the *UNDP 2000 Human Development Report*: *'poverty is not only expressed in shortage of food, shelter and clothing. It is also expressed in high levels of crime, including violence among the poor themselves, especially against women and children, in many instances accompanied by substance abuse'* (Van Dijk, 2008).

Since income inequalities tend to be larger in poorer countries, where more people suffer from extreme poverty, the impact of poverty and inequality on violence is difficult to disentangle. Arguably income inequality and various measures of perceived or objective poverty are two sides of the same coin. In many countries both are measures of the forms of severe deprivation conducive to violence.

Analyses of the results of the International Crime Victims Survey have shown that a measure of poverty-related "strain" – percentage young males dissatisfied with their income – was strongly related to levels of victimization by contact crimes (street robbery and threats/assaults, sexual offences). In multivariate analyses the strain factor emerged as the strongest predictor of levels of violence (Van Dijk, 2008). The statistical linkage between income inequality and violent crime is confirmed in the results of the ICVS 2000 for both threats/assaults and robbery. Figure 1 shows the relationship between income inequality, as measured by the Gini coefficient (a measure of inequality in a population) and the levels of robbery as measured in the ICVS. The relationship between income inequality and rates of victimization for street robbery appears to be fairly strong ( $r=.62$ ,  $n= 50$ ;  $p<0.05$ ). In the upper right quarter - where these problems are most severe - feature mainly Latin American and African countries as well as Russia and Estonia. Both the USA and the UK are positioned in the middle of both dimensions. Relatively egalitarian countries in Europe as well as Canada and Japan tend to suffer less from robbery victimization and are situated in the left bottom quarter.

**Figure 1 Income inequality and rates of victimization by robbery around 2000**  
 (source: ICVS, 1996-2000; Van Dijk, 2008)

❖ **Figure 5.6** Income Inequality and Rates of Victimization by Robbery



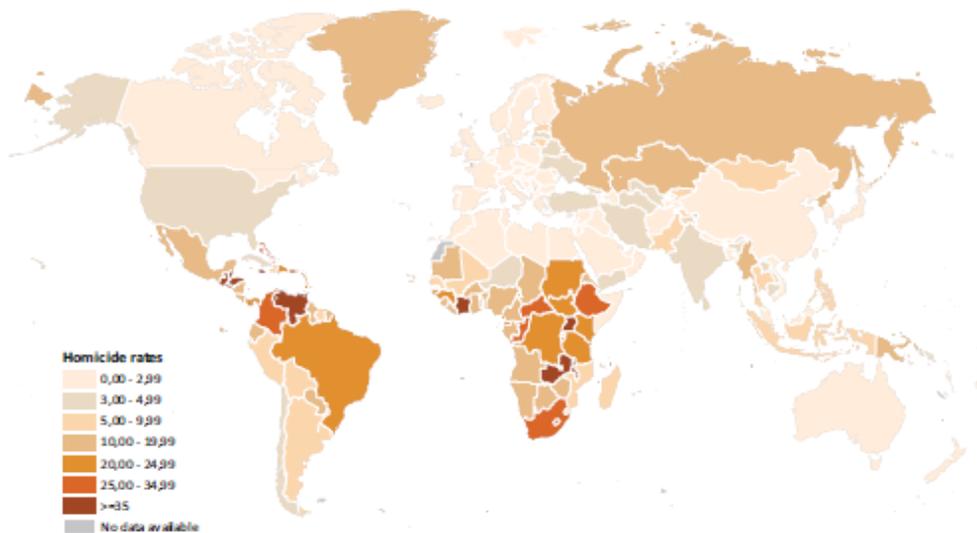
Source: ICVS, 1996–2000.

**The North-South security divide**

In a report issued by UNODC in 2010 an overview is given of the homicide prevalence rates across the world in recent years. The world homicide map, taken from this report reveals a distinct security divide between the North and the South (see figure 1 ).

**Figure 1 Homicide rates by country, UNODC, 2010 (World Bank, 2012)**

### Homicide rates by country (2010 or latest available year)



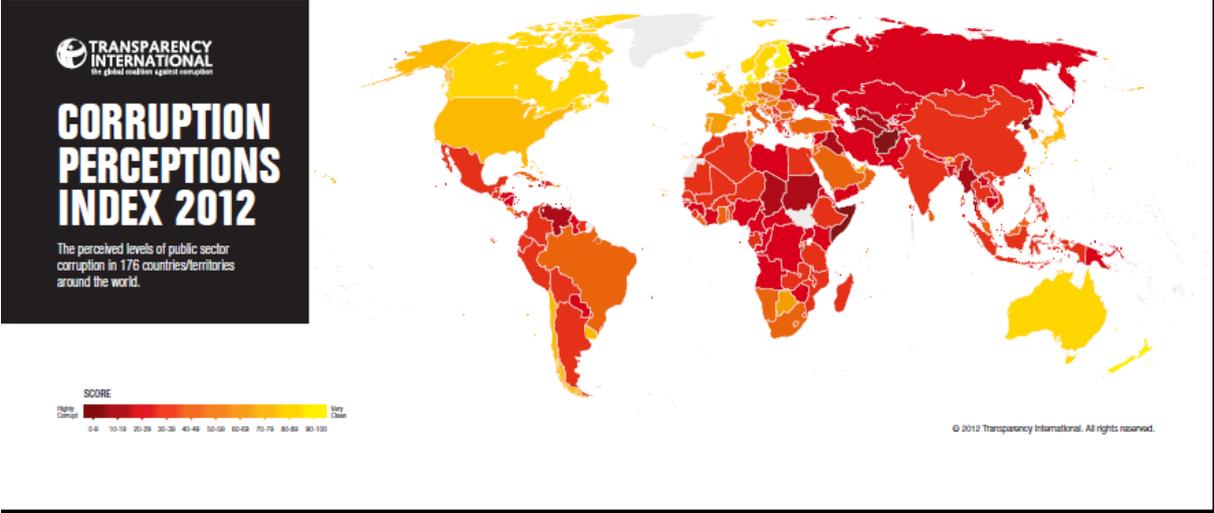
Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Source: UNODC Homicide Statistics.

Analyses of regional homicide trends show that homicide rates have over the last fifteen years declined across all European regions, including in the countries of the former Soviet Union as well as in North America. During this period homicide rates have skyrocketed in the Caribbean and Central America and remained more or less stable in South America (World Bank, 2012).

The rise in homicide rates in many developing and middle-income nations is in part a concomitant of increases in organized crime activity, notably in Central America (Alvazzi del Frate & Mugellini, 2012). Available data on the distribution of organised crime and corruption consistently point at a divide between Western and non-Western countries. The top places in the rankings on perceived corruption of Transparency International are invariably taken up by developing countries such as Afghanistan, Somalia, Iraq, Lybia and Bangladesh (see figure 2).

Figure 2, Global map of perceived corruption

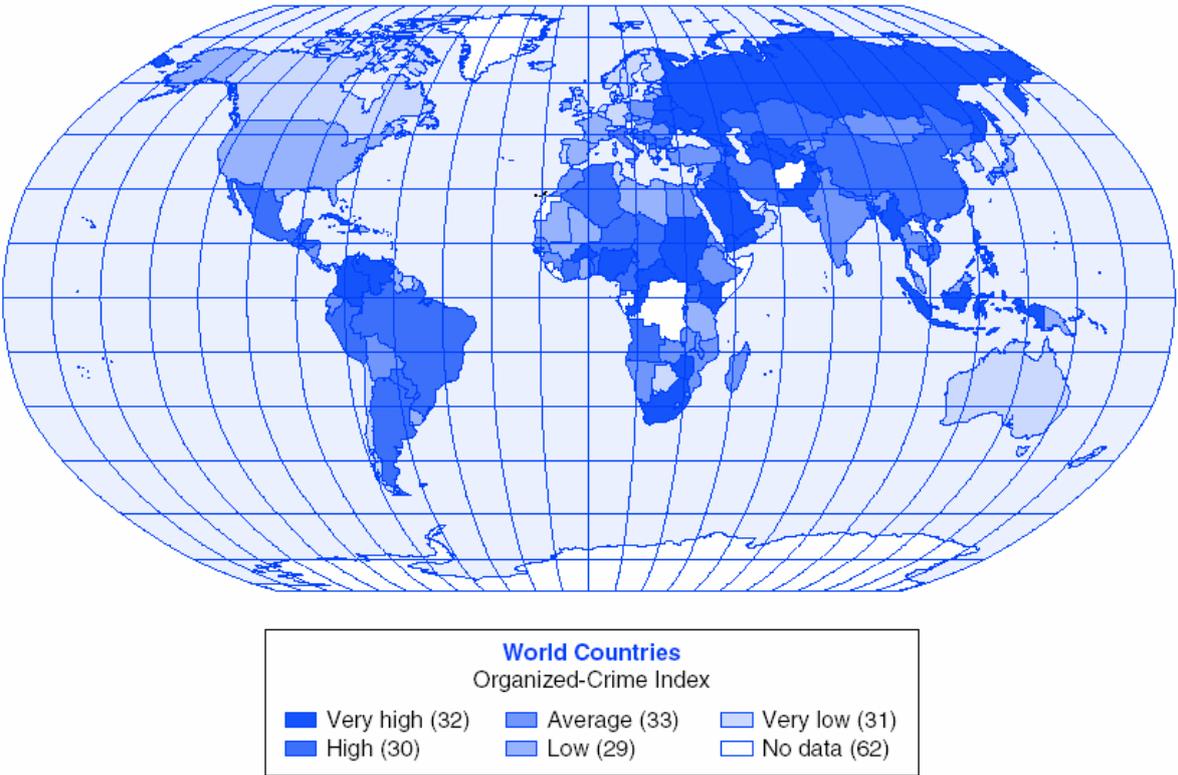


Using quantitative indicators of lethal violence, corruption, perceived costs of racketeering and money-laundering, Van Dijk constructed a composite index of the extent of organized crime activities in countries (Van Dijk, 2008). The global map of scores on the perceived costs to business of racketeering of the World Economic Forum (WEF, 2003) is presented in figure 3 below.

On a global scale organized crime is concentrated among non-Western nations in the Southern hemisphere. Within Europe organized crime activity increases diagonally from the north west to the south east, with levels being higher in Italy and Spain and the highest in Russia, Albania and the Ukraine. The surveys on perceived costs of racketeering of the World Economic Forum from 2003 to 2010 point at incremental improvements in some of the new member states of the European Union (Poland, Hungary and Bulgaria) as well as in Russia and Georgia and a worsening of the situation in Central America, most notably in Mexico. It is also in Central America that statistics on homicides have been on the rise, in contrast to most other world regions (Alvazzi del Frate & Mugellini, 2012). The latter finding confirms the close link between (perceived) trends in organized crime and lethal violence.

**Figure 3 Global map of perceived organized crime activities (source: Van Dijk, 2008)**

❖ **Figure 7.6** Global Map With Scores on Organized-Crime Perception Index (Around 2003)



**The direct and indirect costs of crime**

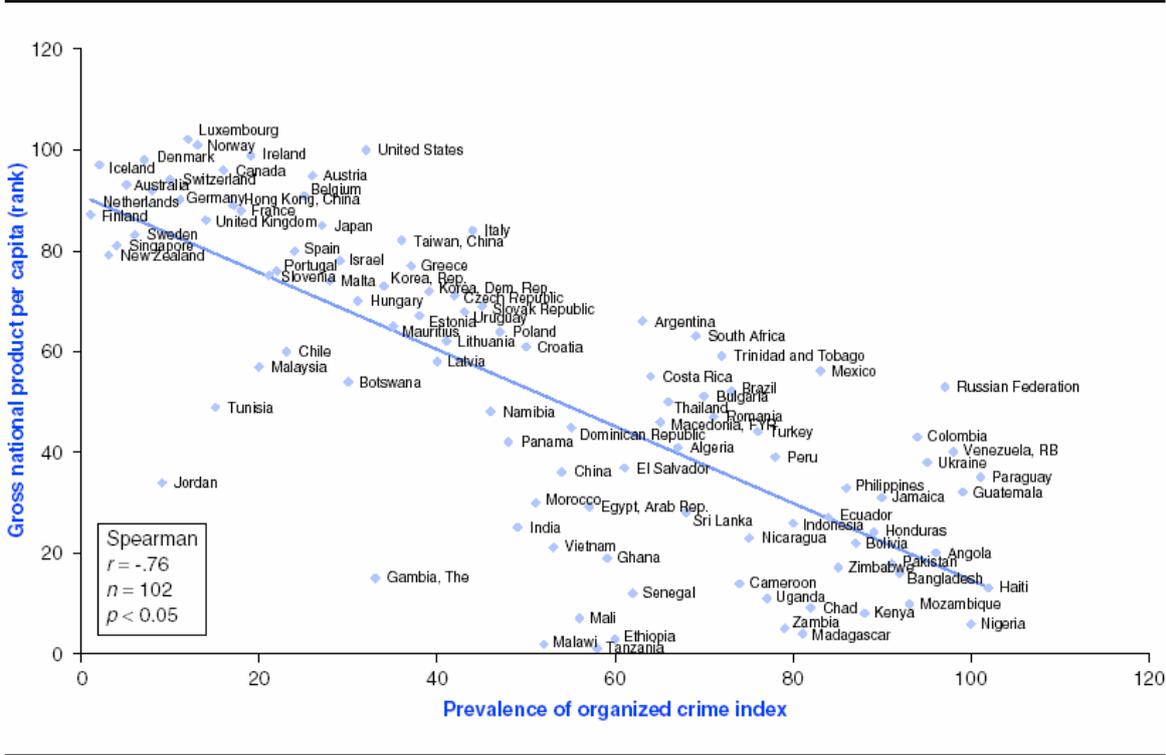
On the cost side, high levels of conventional crime add, first of all, to the immediate costs of doing business in a country. In its 2005 World Development Report, the World Bank sums up its evolving thoughts on the issue: *'crime ...increases the cost of business, whether through direct loss of goods or the costs of taking precautions such as hiring security guards, building fences, or installing burglar alarm systems. In the extreme, foreign firms wil decline to invest, and domestic ones will flee the country for a more peacefull locale'* (World Bank, 2005). In some instances rampant organized crime may also deter foreign tourists from visiting the country. Security concerns are known to be among the most important considerations for selecting holiday destinations.

In a recent regional development report on Latin America, UNDP analysts report that the costs of crime, comprising of costs of prevention, criminal damage and costs of responses amount from 3% of GDP in Chile to 8% in Paraguay and 10,5% in Honduras (UNDP, 2013). However, In mafia-infested countries the costs of crime go far beyond company losses to 'criminal leakage' , 'loss of customers' or 'loss of tourists' and public and private costs of crime prevention and control. High crime countries incur even more significant indirect costs from the negative impact of crime on economic performance. In 'comparative economics' it is now generally acknowledged that sound legal infrastructures are a primary determinant of economic performance (Acemoglu and Johnson, 2003). In analyses of the World Bank Institute 'state capture' - defined as undue influence on laws, policies, and regulation by special interest groups - and other manifestations of 'crony capitalism' have been identified as root causes of institutional failure hampering development (Kaufmann, 2004). Organised crime groups typically maintain corrupt relationships with politicians and officials to ensure immunity and opportunities for racketeering among public institutions. In many parts of the world Political Criminal Nexuses have come into being (Godson, 2003). Since these collaborations between criminal groups and political establishments can be regarded as extreme manifestations of "cronyism", they can be expected to impede sustainable economic development.

Using a composite index of organized crime activities, just mentioned, Van Dijk (2008) looked at the statistical relationship between the level of organized crime activities in nations and their GDP per capita (see figure 4).

**Figure 4- Prevalence of organized crime (composite organized crime index) and GDP per capita around 2002 (source: van Dijk, 2008)**

❖ **Figure 12.5** Prevalence of Organized Crime (Composite Organized-Crime Index) and GDP per Capita (high scores on organized crime indicate high levels and high scores on GDP indicate high GDP)



Sources: See Figure 7.4; WEF, 2003.

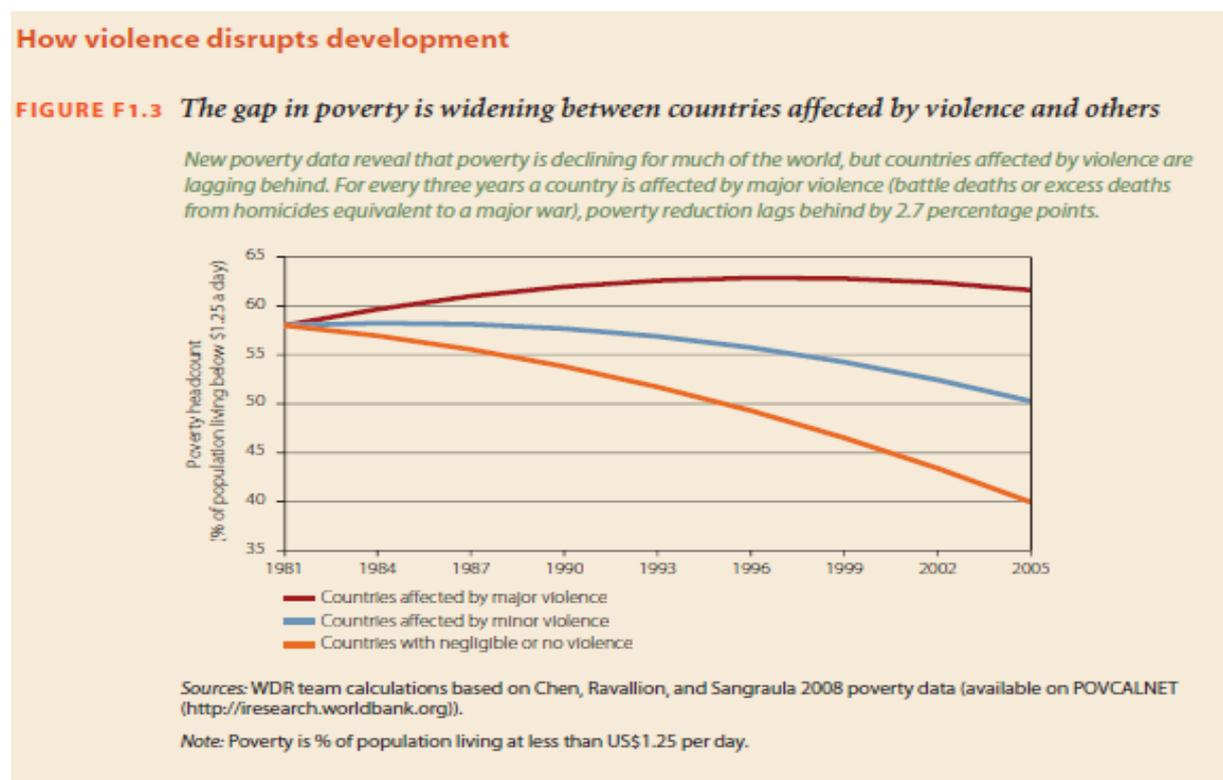
As can be seen in figure 4 countries with unfavorable scores on both dimensions include besides Haiti, Pakistan and Honduras, Nigeria, Angola and Zimbabwe. These latter three are typical examples of resource-rich countries plagued by the self-perpetuating dual curse of lawlessness and poverty. In the upper right quarter are concentrated many Western nations as well as Singapore and Hong Kong China. The results of this cross-sectional analysis lend empirical support to the hypothesis that political-criminal networks tend to hurt the economy. Trafficking in drugs or arms may, as in the case of Afghanistan and some Latin American, generate sizeable illegal profits for some time. But the ensuing corruption and general lawlessness deters foreign direct investment and structurally impairs the capacity of countries to experience sustainable economic growth. Countries where organized crime groups are powerfull are unlikely to ever reach levels of development found in most parts of the Western world and parts of Asia.

In an analysis of global homicide rates and the attainment of the Millenium Development Goal Wenmann and Muggah (2010) arrive at the following conclusions: *“Countries reporting high levels of homicide are statistically associated with reduced progress across specific MDG Goals. Specifically, high rates of homicidal violence contributes to dramatic reductions in eradicating extreme poverty, youth unemployment and hunger (MDG 1), increased primary*

enrolment ratios (MDG2) and reduced infant mortality and adolescent birth rates (MDG 4 and 5)”

As reported in the 2011 World Development Report, titled *Conflict, Security and Development* (World Bank, 2011), studies by World Bank analysts confirm the linkages between security problems and underdevelopment, previously assumed by Godson (2003) , Van Dijk (2008) and Wenmann and Muggah (2010). While poverty is declining globally, countries most affected by crime and violence are lagging behind in achieving development goals. Figure 5 shows the diverging economic trends of high and low crime countries in poverty reduction.

**Figure 5 Diverging trends in poverty reduction in high crime and low crime countries (Source: World Bank, 2012)**



### Vicious crimino-economic circles

The entrenchment of organized crime in society usually goes hand in hand with a growth in the shadow economy. When shadow economies make up a large part of the economy this factor alone can lead to reduced state revenues which in turn lessens the quality and quantity of publicly provided goods and services, including the administration of justice. From a criminological perspective, poorly funded, weakened public administrations will lead to more opportunities for organized crime, investing its illicit gains mainly in the shadow economies. These crimino-economic chain effects further undermine the capacity of the state to raise the required revenues for an institutional attack on groups involved in organized crime. Poverty, weak states and organized crime are part of the vicious circles that have kept many developing countries badly governed, lawless and poor ever since they gained independence. The crime and poverty trap many developing countries find

themselves in was neatly diagnosed by the former president of Georgia, the then minister of justice, M. Shaakasvili at a UN conference in 2000: *'We need first to create elite investigation units - small, well-paid, very well-selected people with help from the FBI and other enforcement agencies to investigate corruption. We cannot do anything economically if we cannot combat corruption. But to combat corruption, the government should be strong, with enough revenue to sustain armed forces, police, security apparatus, courts. So it's like a Catch-22 situation'* (Van Dijk, 2008).

There are as yet few indications of declining crime rates in poorer regions of the world. As said, available data indicate that violent predatory crime in many developing countries is still trending up (Alvazzi del Frate & Mugellini, 2012). Ongoing macro changes such as urbanization and, paradoxically, greater affluence will not facilitate reductions in the level of common crime in the near-term. Many middle income countries are likely to mirror the prolonged rises in volume crime experienced in most Western countries during the 1970s and 1980s. Volume crime and rampant violence against both women and men will probably continue to inflict suffering on the rapidly growing urban populations of Latin America, Sub-Saharan Africa and parts of Asia.

Many of the same countries are also confronted with a high prevalence of organized crime and corruption, interfering in political and legislative processes and hampering sustainable development. The inhabitants of these countries are the collective victims of these types of crime. The burden of crime weighs heavily on the populations of many developing countries both at the individual level and collectively. In the area of crime and public safety, globalization processes have not led to converging trends. The burden of crime is unequally divided between the developed North and the developing South. A particularly sad element of this divide is the large scale victimization of young women and men from developing countries by human trafficking for exploitation in sex industries or sweat shops in more affluent nations (UNODC, 2012).

Especially vulnerable to lasting problems of insecurity and poverty are countries in post conflict situations. During post-conflict transitions, organised crime groups are all too often allowed to grow roots with lasting negative implications for security and development in the country. After the second world war the Allied Forces allowed local mafia leaders in Sicily, Italy to return to their former positions of authority in the hope to restore order and promote a rapid economic recovery. Since the 1990-s insurgents in Columbia were allowed to engage in illicit drugs cultivation in exchange for peace. More recently, former insurgents in Afghanistan were allowed to engage in the large scale production of poppy. Tolerating such mafia-type activities in a period of transition for peacemaking purposes, has proved to be a high risk strategy in the long term. It implies letting the Trojan horse of racketeering and grand corruption into the walls of government. The inevitable deleterious effects on the rule of law and governance may impede sustainable development in the long run. Sicily is a sad example of a potentially affluent region permanently crippled by deeply entrenched organized crime and corruption. Where organized crime groups are allowed to become powerful, legislation, policy-making and legal rulings no longer serve the general interest but the interests of the few. Through the pervasive bias of legislation, policy decisions and jurisprudence, market efficiencies are undermined and both local and foreign investors loose confidence in the legal and regulatory functions of the state and consequently stay away.

Under such mafia-friendly regimes no country will ever achieve sustainable development, least of all an equitable one.

Several poor and middle income nations have recently been confronted by the emergence of powerful mafia-type organizations involved in the production and trafficking of cocaine. Mexico, Guatemala and other Central-American countries are afflicted by the nefarious impact of rampant organized crime upon citizen security as well as on governance and the rule of law. Equally worrying are the effects of organized crime and high level corruption upon small nations along cocaine trafficking routes in the Caribbean and West Africa as well as in many post-conflict countries including Iraq, Libya and Somalia. While levels of crime and violence have been declining in most Western nations (Van Dijk, Tseloni & Farrell, 2012) security concerns have become more urgent in many other parts of the world.

### **The need of security and justice reform**

Over the last two decades some individual Non-western nations have provided best practices in controlling crime and corruption. Case studies of individual countries/territories as varied as USA/New York (Jacobs, 1999), Palermo (Orlando, 2001), Singapore, Botswana, Jordan, Hong Kong and Taiwan, document the capacity of local or national governments to successfully address organized crime and corruption, thereby promoting economic growth. Another example of a nation which has boosted its economy by crushing organized crime is Georgia. The administration of former president Shaakashvili launched a major and sustained campaign against the Georgian mafia and corrupt officials between 2005 and 2011. Although Shaakashvili has since been voted out of office and is accused of human rights abuses, the favorable effects of his anti-crime initiatives on public safety and development cannot be put in doubt (Van Dijk & Chanturia, 2012; World Bank, 2013). In several individual countries targeted investments in controlling organized crime-corruption complexes seem to have paid off in terms of both public safety and sustainable development.

Just as political elites in the West in the 1970s belatedly recognized the need to respond to problems of urban crime, world leaders should become cognizant of the need to address the multi-faceted security problems of the developing world. Functioning justice and security systems are indispensable for the protection of personal security and human rights, especially of vulnerable groups such women and children. The prevention and control of common crime should urgently be strengthened for humanitarian reasons. Tackling justice and security problems of poor people in developing countries and assisting victims of crime should be recognized as key humanitarian objective of international cooperation (Van Dijk & Letschert, 2011). In many developing countries victimization by common crime remains the most important threat to human security. Evidence-based crime prevention and victim support should be adapted to special circumstances in developing countries and then implemented on a large scale in the South. At a deeper level of analysis, justice and security systems have proven to be of critical importance for sustainable and equitable development. If the organized crime-corruption nexus is allowed to grow roots in a country, prospects for development are significantly diminished in the medium and long term. Many developing countries are trapped in vicious circles of dysfunctional law enforcement and criminal justice, increasing lawlessness, growing shadow economies, decreasing tax revenues and economic stagnation. There is an emerging consensus among development experts about the need for governments of developing countries to improve governance and crime control as a first priority.

The World Bank's World Development Report 2011 broadly shares the above analysis. The report concludes: *"Interstate and civil wars characterized violent conflict in the last century; more pronounced today is violence linked to local disputes, political repression, and organized crime. The report underlines the negative impact of persistent conflict on a country's or a region's development prospects, and notes that no low income, conflict-affected state has yet achieved a single Millennium Development Goal. The risk of major violence is greatest when high levels of stress combine with weak and illegitimate national institutions. Societies are vulnerable when their institutions are unable to protect citizens from abuse, or to provide equitable access to justice and to economic opportunity. These vulnerabilities are exacerbated in countries with high youth unemployment, growing income inequality, and perceptible injustice. Externally driven events such as infiltration by foreign combatants, the presence of trafficking networks, or economic shocks add to the stresses that can provoke violence"* (World Bank, 2011).

In a similar vein, the World Justice Project, co-funded by the Neukom and Gates Foundations, holds the establishment of the rule of law *"fundamental to achieving communities of opportunity and equity- communities that offer sustainable economic development, accountable government, and respect for fundamental rights. Without the rule of law medicines do not reach health facilities, due to corruption; women in rural areas remain unaware of their rights; people are killed in criminal violence; and costs increase because of expropriation risk. The rule of law is key to improving public health, safeguarding participation, ensuring security, and fighting poverty"* (World Justice Report, 2012-2013). In order to advance the rule of law the WJP has developed a quantitative assessment tool offering a comprehensive overview of the extent to which countries adhere to the rule of law in practice. One of the eight dimensions of the Rule of Law Index is criminal justice, comprising of indicators of the effectiveness and integrity of investigations, adjudication and corrections processes as well as due process of suspects. In the third WJP index (2012-2013) scores are calculated for 97 countries. As expected, scores are by far the most favorable in North America and Western Europe and the least favorable in Latin America and Africa. The WJR 2013 confirms the existence of what has been called the justice deficit of the South (Van Dijk, 2008).

UNODC sums up the conclusion of an expert group meeting on security and development held in Vienna in 2013: *"Put succinctly, security and justice are by and large a means to achieving improvements in poverty reduction, reversing inequality, and enhancing effective governance. When people's basic safety, sense of security, and access to justice improves, so to their willingness to make medium- and longer-term decisions, invest locally, and contribute to productive growth. Security and justice are also ends in themselves. They are rights, enshrined in international norms and rules, to which all citizens are entitled. Pursuing security and justice as part of the wider development agenda, then, makes good ethical and economic sense. And while there are legitimate political sensitivities associated with the two themes, there is growing acceptance that security and justice warrant a prominent place in the post-2015 development agenda"* (UNODC, 2013).

The key message of the reports just cited, is to step up aid from high income and middle income countries, and international organizations, to the security and justice sectors of low income countries plagued by recurrent violence and organized crime. Human resources,

including knowledge on proven measures of preventing and controlling crime must be transferred to developing nations as cornerstone of the post -2015 development agenda. Against this background , criminologists should prepare themselves for roles as analysts and consultants in the coming international efforts to reduce the North-South security and development divide.

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