THE PRICE OF VIOLENCE

If Brazil is to achieve greater social and economic progress, public security and law enforcement have to improve significantly.

Kalinka Iaquinto

BRAZILIANS SEE themselves as cheerful, hospitable, and peaceful, yet this picture is contradicted by data on violence and crime. Brazil is the 18th most violent nation in the world, according to the Avante Brasil Institute. The 2013 Human Development Report of the United Nations Development Programme (UNDP) pointed out that insecurity is an obstacle to economic and social development in Latin America, and warned that crime control measures alone are not sufficient; what is needed are public policies for more inclusive economic growth and effective security and justice institutions. In particular, Brazil must care for the youth.

The 2012 Human Development Report pointed out that violence undermines confidence in Brazil’s future development and reduces the competitiveness of industries and services because it imposes heavy costs for security. The report also pointed out that the excessive spending on combating violence could be directed to other areas, such as health and education. Yet although the United Nations (UN) considers unacceptable more than 10 homicides per 100,000 inhabitants, and the global average is 6.9, according to the 2013 Brazilian Yearbook of Public Security Brazil’s homicides are an outrageous 24.3.

In Brazil, “Public safety [problems] will strangle business and investment and slow economic growth because we will have to invest more in private and public safety; ultimately the increasing cost of violence will make Brazil much less competitive than
it already is,” says Renato Sérgio de Lima, coordinator of the Yearbook.

Brazil’s overall competitiveness fell from 48th to 56th this year among the 148 countries surveyed in the Global Competitiveness Report, published by the World Economic Forum. Although the report does not directly address questions related to violence and crime, it does consider corruption to be a major factor obstructing competitiveness in Brazil.

Leandro Piquet, researcher at the Center for Public Policy Studies, University of São Paulo (USP), agrees. He believes that crime has a direct and immediate economic impact because violent countries lose foreign investment—which he considers the most important economic effect. He also emphasizes that high levels of violence and crime have a heavy impact on the labor market, since they directly affect access to education and the formation of human capital.

Crime especially affects younger people because, Piquet believes, “when crime is very high, young people simply decide to take the easy way out and do not invest in education, savings, and health care. This significantly affects capital formation and work skills.”

To turn around this situation, governments have to spend more on public safety. Although Brazil spent about R$61 billion in 2012, 16% more than in 2011, homicides actually increased by 7.8% in 2012, and rapes shot up by 18.7%, to 26.1 incidents per 100,000 inhabitants.

**Quality, not quantity**

The quality of spending on public security is as important as the amount spent. Of the amount spent on security in the past year an estimated of 40% went to pensions for retired police officers, the rest to salaries of officers on active duty.

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**Crime, the housing market, and economic growth**

In 2008, the city of Rio de Janeiro began to deploy Police Pacification Units (UPPs) in riotous slums. Despite criticism, the UPPs have brought about many advances in public security and economic growth.

In their study “Crime, Property Prices and Inequality: Effect of UPPs in Rio de Janeiro,” Claudio Frischtak, president of Inter B consulting, and U.S. researcher Benjamin Mandel analyze how the pacification policy has affected property prices. They estimated that in the pacified slums, as homicides were reduced by 14% and robberies by 20%, real estate prices rose by 15%. Improved public security was thus associated with higher property prices.

“In an area degraded by violence, people tend to leave, more properties are put on the market, prices fall, and then you have a major loss of property values,” says Daniel Cerqueira, director of studies, Institute for Applied Economic Research (IPEA). He points out that violence may also affect consumption and discourage local businesses. “Instead of buying expensive goods, people consume less conspicuous goods to avoid being robbed. Where there is a lot of violence, businesses do not prosper because demand for goods and services is possibly weaker and operating costs are higher.”
Violence undermines confidence in Brazil’s future development and reduces the competitiveness of industries and services because it imposes heavy costs for security.

spends very, very badly, investing little to modernize the system,” says De Lima, pointing out that “We spend nearly ten times more on public security than on investment.” He adds that low economic growth and significant increases in public security spending in the last decade significantly reduce the capacity of federal and state governments to finance law enforcement.

The cost of violence also affects other areas. According to the 2013 Map of Violence, in 2011 Brazil spent R$211 million on hospital admissions resulting from traffic accidents, and “admissions are only a small fraction of the direct cost. Ambulances, attendance at the accident scene, post-hospitalization, and other costs are not recorded,” says Julio Jacobo Waiselfisz, sociologist and coordinator of the Map.

“Some costs of crime and violence are explicit, … and some are intangible but are nevertheless economic costs,” says Daniel Cerqueira, researcher, Institute for Applied Economic Research (IPEA). In addition to the direct impact on the public health system, the government has to bear such costs as pension benefits for violent deaths and work absenteeism due to physical or psychological trauma. “The government has a huge financial cost that, in a situation without violence, could have been reallocated to other sectors that could benefit society,” he says.

Crime migrating inland
In addition to costing more as a share of public funds since the early 2000s, the geography of Brazilian violence as well as the motivation of crimes have been changing.

Regions that previously had high crime rates have adopted new policies and spend more on public security, which has often been effective. The São Paulo state Department of Public Safety reports that homicides fell 72% between 1999 and 2011 as the budget increased five times, reaching R$12 billion in 2012. São Paulo and Rio de Janeiro states have adopted the policy of pacification of slums, and Pernambuco state has introduced the Life Pact Program. These are considered to be success stories. Even Alagoas state, which has the highest homicide rate, reduced homicides by 22% between 2011 and 2012.

USP’s Piquet points out the uneven distribution of resources among states: despite the increase in per capita spending on public security, some states use up most of the resources: “Some states have a large share of funds for public security, especially São Paulo state. But other states where violent crime is surging, especially in the Northeast, do not have resources.” Smaller and less wealthy states must depend on federal government resources to fund their public security budgets.

Some regions whose economies have developed in the last 13 years have attracted violence and crime. Waiselfisz explains that “The migration of the dynamic pole of violence started in 2000, when investments in less developed regions created a number of economic poles across the country. However, these new economic poles do not have a tradition or structure to cope with
the new violence. An archaic public security system with little infrastructure has been barely adequate to address the new reality of violence in Brazil.”

Rodrigo Leandro de Moura, researcher, Brazilian Institute of Economics (IBRE), believes demographic changes in large metropolitan areas have also contributed to the migration of violence to inland towns. He explains that lower population growth in large metropolitan areas is reducing the number of youth in the total population, and consequently reducing crime because youths are more prone to commit offenses. This,

Since 2007 Pernambuco state has plunged from first place in the national ranking of violence to sixth. It cut homicides by over 60% to 39 deaths per 100,000 from 70 deaths per 100,000. This is the result of the Pact for Life program launched in May 2007; it incorporates over 100 measures to be monitored monthly or weekly, along with daily police force protocols. The program emerged after a thorough assessment of the problem. “We tried to find out why Pernambuco was not on the right track. From this, we developed strategic plans to establish what was needed in terms of investments—more police officers, more training, better working conditions, new units—and designed operations precisely to confront violence,” says Wilson Damázio, Pernambuco Secretary of Social Defense.

The main problems identified were few arrests, low initiation (much less completion) of police investigations, and too few prosecutions. To solve the problems, the state was divided into three regions: the capital (Recife metropolitan area), the forest, and the hinterland.

“Homicides were our main problem, especially death squads in the Recife region and the forest. Our goal is to confront these groups with support from the Homicide Department and a restructured Narcotics Department. We also invested heavily in intelligence services,” Damázio says. To alleviate poor response to violence against women, children, and adolescents, he says, “We created specific police forces aimed at these groups at risk, and also the Neighborhood Patrol and Friendly Police that work together with neighborhood associations and community and religious leaders.”

In over six years the Pact for Life program, the police force doubled to 29,000 officers and firefighters and now averages one officer for every 300 inhabitants. Funds for public security also doubled: Investments increased from R$1.3 billion to R$2.4 billion a year: for instance, funding for operations increased from R$20 million to R$100 million and for machine maintenance from R$100 to R$400 million.

The program’s success has attracted international attention. The Pact for Life program was recognized as a successful policy by the United Nations and has led Bahia, Acre, and Paraíba states to study Pernambuco’s program. Damázio is convinced that the program could benefit other states, and suggests it could be turned into a national policy for public security.
Brazil’s law enforcement system “is structured to be inefficient and often it spends very, very badly, investing little to modernize the system.”

Renato Sérgio de Lima

launched the Safer Brazil program based on the National Public Security Plan of the Ministry of Justice. The program, directed especially to the poor Northeast states, has three lines of action: better investigation of violent deaths, more extensive patrolling, and gun control. The program was piloted in Alagoas state with R$25 million in funding, and is now also running in Sergipe, Rio Grande do Norte, and Paraíba states.

“Safer Brazil seeks to strengthen police investigation, bringing forensics police to the level of excellence required by judicial police and public prosecutors to secure evidence to support trial of criminals,” explains Regina Miki, director, National Department of Public Safety, Ministry of Justice. The program also proposes to identify alternatives to imprisonment for misdemeanor crimes “so that small offenders can be put on probation … we want to incarcerate only those who actually commit felonies.”

However, there is no consensus about the program among experts. Piquet argues that through the current policy is better than the old one, the country should not pursue a single public security policy, anchored in the federal government. He claims that “We can benefit from differences in state public security policies.” De Lima agrees: “Urban crime in Brazil today is much more heterogeneous and complex. There is no single answer. State governments have to become more efficient, more dynamic, and capable of acting based on results. Either they become like the most modern police forces in the world, or they will be forever trying to catch up with new patterns of crime.” De Lima argues for community involvement, intensive use of information, and reinforcement of intelligence services, noting that “Coordination between different government agencies is necessary to gather information that can be used to prevent and contain crime.”

Brazil is one of the most violent countries in the world.

<table>
<thead>
<tr>
<th>Country</th>
<th>People killed during police operations</th>
<th>Police officers in service</th>
<th>Homicides per 100,000</th>
<th>Population</th>
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<tbody>
<tr>
<td>Brazil</td>
<td>1890</td>
<td>89</td>
<td>24.3</td>
<td>193,976,530</td>
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<td>Mexico</td>
<td>1652</td>
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<td>-</td>
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</table>

Source: Anuário Brasileiro de Segurança Pública
Police reform is an old and difficult issue — necessary but almost impossible. “It will never happen,” says Piquet, criticizing what he calls the cemetery of Proposals for Amending the Constitution (PECs) that have been buried in Congress. “In recent years in several states, the success of many public security policies indicates that it is possible to achieve much without changing the current institutional structures. São Paulo state has reduced its homicide rate by 80%, Pernambuco state more than 50%, Rio de Janeiro state more than 30%, suggesting that even with a difficult institutional structure, it is possible to improve case by case,” he says.

How the police force carries out its operations also needs to be rethought. According to the Yearbook of Public Safety, every day five people in Brazil die because of police operations — five times higher than the average in the United States. This is surely a factor in Brazilian lack of confidence in the police. According to the Confidence in Justice Survey (Brazil-ICJ) of the Law School of São Paulo of Getulio Vargas Foundation, only 30% of the population trust the police in contrast with 82% in England and 88% in the United States.

**Lives at stake**

The most difficult social and economic cost to measure, and the most important, is the loss of life. According to the 2013 *Map of Violence*, homicide is the leading cause of death among Brazilians aged 15 to 24. Homicides are also more severe among men, blacks, and residents of the suburbs of metropolitan areas.

In their study “Cost of Lost Youth in Brazil,” Daniel Cerqueira (IPEA) and Leandro Rodrigo de Moura (IBRE) demonstrate that premature deaths of youths represent a significant welfare loss for society because it reduces the life expectancy of Brazilians. By increasing mortality and reducing life expectancy, De Moura says, “Violence affects negatively household decisions about having children, saving, and investing,” he says. “There is evidence that a nation’s economic development coincides with declines in mortality rates and increases in life expectancy, which encourage households to invest in human capital and education.”

In Brazil homicides of youth went up from 42 per 100,000 in 1996 to 53 in 2011. “Our young people are dying younger and younger,” Cerqueira says. Most young people would die by age 25 in 1980; now they die by age 21.

Violence in Alagoas state, the researchers found, accounts for lower male life expectancy at birth of two years and seven months. “In the Northeast region both the loss of life expectancy and homicide rates are much higher than in other regions,” De Moura says. He and Cerqueira estimate the loss of social welfare at as much as R$79 billion a year, 1.5% of national GDP. In some states the loss is as high as 6% of GDP.