

Inequality and Violence

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The epidemic of criminality and violence in Central America is inextricably linked with the poverty that vast sections of the population suffer, says a report released by the Central American Watchdog on Violence (OCAVI) in July '08. However, it doesn't offer this as a complete explanation for the phenomenon, because it also notes that the region has a far higher murder rate than one would expect considering the population's level of poverty.

The picture is further complicated by figures showing that violence is not concentrated in the areas of greatest poverty. In Central America the safest countries are the richest one, Costa Rica, and the poorest, Nicaragua. At the other end of the scale is El Salvador, with the highest number of homicides. There were 3,928 registered murders in 2006—a rate of nearly 68 per 100,000 people.

According to the report, most significant in generating violence are increasing inequality and other social, cultural and psychological factors. It is the distribution of riches within a society, says the report, rather than the existence of poverty that is a good predictor that a society will have high levels of violent behavior.

The report lists the main conditions for violence as the state of basic social conditions and work opportunities, especially the rate of youth unemployment, levels of education and the degree of strong family ties. According to the report, "failures in these categories together are the greatest predictors of violence."

Unsurprisingly, the presence of urban youth gangs is said to be part of the problem. In a recent study by USAID on Mexico, Guatemala, El Salvador, Honduras and Nicaragua, it was estimated that there could be as many as 300,000 gang members in these countries. Honduras has the highest number with 500 per 100,000 people, followed by El Salvador with 180 per 100,000 people.

The deportation of gang members from the US also plays its part. The report is critical of this policy, saying that deported gang members simply make their way back to the US by whatever means they can and forge ties between that country and their country of origin, strengthening the links between international gang networks. Interviews with Salvadoran gang members who had been deported from the US showed that some had been deported three or more times and that they intended to go back yet again.

Central America's geographical location as a transit point for US-bound cocaine shipments from South America is also noted. The report laments that the profits made from drug trafficking exceed the funds made available to fight it, making it harder to control.

Using figures from each country's national and private health services, the report estimates the total cost of medical care for people wounded in acts of violence in Central America for the year 2006 to be US\$229 million. If anything this is an underestimate because, as the report notes, it is virtually impossible to take into account all the variables such as the cost of families' transportation to and from hospital, medicines and so forth.

OCAVI estimates that in that year 500,000 years of life were lost in Central America due to the violence, with an economic cost of approximately US\$1.2 billion. Then there is the cost of psychological damage, specialist care and care of dependents in the case of death of a parent. The estimate of these so-called intangible costs due to violence in Central America is given as US\$1.9 billion.

The budgets that are assigned to the various governmental bodies in charge of the prevention and combating of violent crime in Central America amount to US\$1.4 billion.

The report also estimates the cost of preventative measures, both commercial and for private individuals, from burglar alarms to personal habits such as taking taxis instead of using public transport. They estimate this cost for Central Americans to be around US\$1.2 billion. Then there is the cost of the loss of goods through theft and robbery to be considered - estimated to be further US\$780 million. Taking all these figures together, the OCAVI study estimates the total economic cost of violence in Central America in 2006 to be around US\$6.5 billion. This represents 7.7% of the region's GDP.

However, the figures that make up this total vary widely from country to country. Guatemala suffers the largest expense in dealing with the consequences of violence (US\$2.29 billion), followed by El Salvador (US\$2.01 billion).

Obviously, the countries with lower levels of violence spend less dealing with it. Nicaragua had to spend US\$529 million and Costa Rica US\$791 million. But if one looks at these figures in relation to the size of their economies, rather than as a simple monetary figure, the picture changes. El Salvador loses 11% of its GDP on violence and Costa Rica loses 3.6% and Nicaragua, 10% of its GDP. The figure for Guatemala is 7.7% and Honduras 9.6%.

The information on which these figures are based, the report acknowledges, ranges from the solid and reliable (hospital) reports to the fragmented. Estimates of intangible costs such as the impact of an act of violence on other members of a family can only be estimated and under-reporting of violence and threats of violence make it difficult to get a true picture.

Some things are a matter of fact, such as the fact that victims of violence use health services more, especially the emergency services, which demonstrate the way in which violence puts a strain on public services. Other significant intangible impacts are the loss of foreign investments due to the climate of violence, for instance, on the tourism sector.

A fortnight ago, a US citizen was hacked to death by robbers on his yacht in the department of Izabal, in northern Guatemala, and a few months before, four tourists were kidnapped in the region as part of a political protest, but were released soon after unharmed. Such incidents receive wide publicity and generate travel warnings to avoid the area.

The report concludes that the level of violence in Central America, in terms of its direct and indirect economic costs constitutes "a serious warning over the urgency of implementing a comprehensive strategy of public policies which will make it possible to substantially reduce the prevailing levels of violence in the region."

It adds that "Central America cannot afford the luxury of throwing away annually 5% of its GDP each year, when it could channel those resources to strengthen the capacity of human and social capital and quality of life for its people." □□□

—*Third World Network Features*