

Preventing Criminality: An Economic Evaluation of a Brazilian Program

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Summing up

- Using data on 2556 spatial census sectors of Belo Horizonte in Brazil between 2000 and 2006 the paper estimates the impact of program Fica Vivo implemented in Morro das Pedras slum (pilot area) on the homicide rate using a double difference matching estimator.

- The homicide rate decreased in the treated area in about 11 per one hundred thousand inhabitants relative to other comparison areas. They argue that the program saved in the period around 15 lives and is cost-effective in several cost-benefit scenarios.

Comments

- Authors address important policy concern of anti criminal policies, specially in Latin America: whether higher police enforcement and social protection actions (like education, health, sport, leisure, culture and professional training projects) within a very hot spot slum do actually lower homicide rates and if so by how much.
- Cost-benefit analysis is useful to figure out if at least police enforcement direct costs can be compensated with social benefits of lives saved.

- Authors worry about sources of bias of estimates which makes them combine DD with propensity score matching (PSM).
- PSM as first step could clean initial heterogeneity which makes DD results more credible. Authors could show DD with and without this to see differences.
- Identification rests on two assumptions:
 - differences on observables between treatment and control areas are captured by propensity score matching;
 - selection bias that comes from fixed effect at weighting area level is controlled by DD estimator.

- Important to explain what is included in propensity score. Choice of observables depends on good knowledge of program.

Authors do describe somewhat Fica Vivo but would be helpful to give reader insight of why their choices of the included variables.

- Propensity score matching assumes away problem of endogenous placement. Authors should address why they do so in their case since the selected slum seemed to be one of the hottest spots in Belo Horizonte.

If so then their results should be interpreted as an upper bound on effect of these types of programs.

- Reduction of 11 per one hundred thousand inhabitants seems in absolute terms somewhat big for world standards but maybe not so big for Colombia. Authors could do better by comparing it to control areas. In their regression it seems to be on average 73 per one hundred thousand inhabitants for control areas. (Not sure)
- If so then reduction is around 15% of homicide rate in comparison group which seems big.

- Major concern: displacement effects of program.
- Displacement of criminal activities seems to be totally possible in their case. Authors could address this issue by showing their results (footnote 12 that suggests that no displacement effects occurred).
- Use different comparison groups based on distance to treated area could be useful in assessing impact.
- Failing to focus on this effect undermines their efforts since the cost-benefit analysis suggests that 15 lives were saved during 2000-2006 because of the program. Eventually with displacement effects these could have been done in comparison areas and therefore no real benefit of program!!

- Minor comments: explain better cost-benefit analysis since in my reading I did not find the total net benefit in 2006 US dollars but only the cost-benefit ratios.
- Not clear that program expanded but police costs went down.
- Cost benefit analysis seems to be driving the major emphasis of the article. Authors could improve econometric reports and just report different cost benefit scenarios in a table.
- Even if program is not cost benefit in some cases (with only direct police costs) the idea of reducing homicide rates could be important in itself. Authors should convince more the reader that effect did exist and not focus too much in the paper on cost benefit analysis.