



Available online at www.sciencedirect.com

ScienceDirect

Economia xxx (2017) xxx–xxx

ECONOMIA

www.elsevier.com/locate/econ

The “São Paulo Mystery”: The role of the criminal organization PCC in reducing the homicide in 2000s

Marcelo Justus^{a,*}, Daniel Ricardo de Castro Cerqueira^b, Tulio Kahn^c,
Gustavo Carvalho Moreira^c

^a *Institute of Economics at the University of Campinas, São Paulo, Brazil*

^b *Institute for Applied Economic Research, Rio de Janeiro, Brazil*

^c *Independent researcher*

Received 7 August 2017; received in revised form 22 February 2018; accepted 28 February 2018

Abstract

We move forward in identifying the causes of the marked and systematic reduction in the homicide rate in São Paulo state in the 2000s. Its main objective was that of investigating the role of the criminal organization PCC in this process. We constructed a first-difference fixed effects model with a spatial structure where we controlled for various socioeconomic and demographic measures and for the presence of firearms and law-enforcement, among other measures. Our results do not support the PCC hypothesis at the level of the state of São Paulo.

JEL classification: K42

Keywords: Homicide; Criminal organization; Violence

© 2018 The Authors. Production and hosting by Elsevier B.V. on behalf of National Association of Postgraduate Centers in Economics, ANPEC. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

1. Introduction

After 1999, there was a decrease in the homicide rate in the state of São Paulo. This decrease occurred in about 500 out of a total of 645 municipalities. Until 2015, the decrease had reached 80.9% and constituted one of the most important *cases* of crime reduction worldwide. However, the reasons that contributed to this notable performance are not completely understood and still remain somewhat of a Mystery, above all because the 2000s were prodigal of transformations in politics, economy, society, and legislation.

Indeed, there were countless changes not only nationally, but also regionally. Nationally, the debate about public security policies deepened and widened in scope. The Federal Government took on part of the responsibility for this issue, launching the 1st National Public Security Plan before the date scheduled for its launch in response to the death of

* Corresponding author.

E-mail addresses: mjustus@g.unicamp.br (M. Justus), daniel.cerqueira@ipea.gov.br (D.R. de Castro Cerqueira), tulio.kahn@hotmail.com (T. Kahn), gustavomoreira@yahoo.com.br (G.C. Moreira).

<https://doi.org/10.1016/j.econ.2018.02.003>

1517-7580 © 2018 The Authors. Production and hosting by Elsevier B.V. on behalf of National Association of Postgraduate Centers in Economics, ANPEC. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

the teacher Geisa in the famous “Bus 174” incident in July 2000, which caused a national uproar. Also for the first time, the issue of public security took center stage in the debate around the municipal elections that were held in that same year. Since then, the number of municipal guards has increased significantly throughout the country. Social conditions improved systematically: there were gradual increases in per capita income, the unemployment rate dropped, income inequality decreased, and school coverage and attendance rates went up. In legislative terms, the Disarmament Statute was enacted at the end of 2003, putting a brake on the true arms race observed in previous decades. Finally, during that decade, the country witnessed the beginning of a deep change in the demographic regime, made possible by an increase in life expectancy and a substantial reduction in fertility rates, which meant that the proportion of young people began to decrease in some regions.

At the state level, São Paulo was one of the few federative units that achieved continuity in governmental management, with the same party¹ at the head of the state government since 1995. During that period, many innovations were made in the area of public security, which included more intensive use of technology and managerial reorganization, engendering a substantial increase in incarceration rates. At the same time, some municipalities started taking a more active role in public security, when they adopted the alcohol prohibition policy (*dry law*) in the wake of good results achieved in the city of Diadema.

Last but not least was the growth of the prison population, which facilitated the luring of prisoners to join the *Primeiro Comando da Capital (PCC)*, a criminal organization that was born within the prison system and became nationally known after orchestrating and perpetrating hundreds of attacks in May 2006. The cartelization of the retail drug market under the leadership of the PCC would therefore be one of many hypotheses used to explain the Mystery of the reduction in homicides in São Paulo.

In this complex context, the main objective of this paper is to apply an empirical methodology to test the hypothesis that the PCC cartel had a significant influence on the drop in the homicide rate in the state of São Paulo in the 2000s.

This study contributes to the literature that attempts to explain the decline in homicide rates in São Paulo during the 2000s, and to the literature on criminal organizations and their impact on criminal behavior. Specifically, we focus on the behavior of the PCC cartel. While previous work has focused on this criminal organization, we provide a more standard econometric approach to thinking about the effect of this organization on the “Mystery” of the decline in homicide rates in São Paulo.

This paper is structured as follows. In Section 2, we present the study area, the “São Paulo Mystery” and quantitative and qualitative studies that looked into the possible causes of homicide reduction in São Paulo. In this section we also discuss the economic context of organized crime and pay special attention to the so-called “PCC hypothesis”. In Section 3, we briefly discuss the *proxy* variable we use for the presence and power of the PCC in the state of São Paulo, our empirical model, identification strategy, and the data sources that were used. Section 4 shows results. In the Section 5 we presents five facts inconsistent with the PCC hypothesis. We conclude the article in Section 6, where we presents the limitations of inferences.

2. Background and previous studies

2.1. The “São Paulo Mystery”

According to data from the Public Security Secretariat of the State São Paulo (*Secretaria de Segurança Pública, SSP-SP*) and from the Brazilian Institute for Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística, IBGE*), the state of São Paulo had a rate of 44 homicides per 100,000 population in 1999, while the national average was 26.2. This placed the state of São Paulo among the most violent regions of the world [United Nations Office on drugs and crime, 2006](#). In 2012, the rate fell to 11.5, below the regional average in the Americas (28.5) but still above the world average (6.7) ([World Health Organization, 2014](#)). Following this trend, in 2015 the rate was 8.4 ([SSP-SP, 2016](#)). The “São Paulo Mystery” resulted from this gradual and uninterrupted drop in the homicide rate ([Fig. 1](#)). As in the case of New York (see [Levitt, 2004](#)), scholars are intent on understanding the causes of this Mystery for the state of São Paulo.

¹ Except for the period between March 31, 2006 and January 1, 2007, when Vice Governor Claudio Lembo assumed the government after the resignation of Governor Geraldo Alkmin.

Download English Version:

<https://daneshyari.com/en/article/7396254>

Download Persian Version:

<https://daneshyari.com/article/7396254>

[Daneshyari.com](https://daneshyari.com)