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## **Unweaving the Social Fabric: The Impact of Crime on Social Capital**

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**ABSTRACT:** The intention of this paper is to go beyond the scattered research that has been done using public opinion surveys to compare victims to non-victims. Presently, there is a lack of surveys that allow this comparison, and include measurement of key social concepts (constructs) such as interpersonal trust, networking, membership, fear, well-being and institutional trust. For this paper, a survey instrument was specifically design to measure each concept using multiple items. The reliability of the concepts is tested using confirmatory factor analysis. Relations between concepts are shown using causal analysis assigning temporal precedence to the condition of being a victim (victimization experience).

# Unweaving the Social Fabric: The Impact of Crime on Social Capital

By Pablo Paras  
University of Connecticut

## ***Introduction***

Today we only understand a portion of the impact that crime exerts on a society. Most of the research focuses exclusively in the economic or psychological consequences of crime<sup>1</sup>. The economic costs account for the sum of resources that a given society loses to, or invests to protect against crime, and are often taken as the social cost of crime<sup>2</sup>. No matter how immediate or obvious, this perspective is limited. The other common cost perspective is the psychological -- with a focus on the individual rather than the society. But again, this perspective is limited, as it only looks into the wounds and scars left on victims, and often only focusing on the most violent or traumatic types of crime, covering only a very small percentage of victims<sup>3</sup>.

Very little has been done in trying to assess other types of consequences. But do we need to know more about the costs of crime? Is it not a consensus that crime is an undesirable cancer for any given society? It is precisely because of the importance and seriousness of an “illness” such as crime, that we need to understand more about it. No diagnosis is complete if we stop where we are today; more information will serve to prescribe a better treatment. This paper will contribute to our understanding of this topic by analyzing the impact of crime on how individuals form their opinions, define their preferences/values and shape their attitudes and behavior. These results should shed light on additional social costs of crime.

The social structure of a community may be challenged wherever the incidence of crime is high. However it is pertinent to acknowledge that crime, itself, is a consequence of social degradation (Healy 2001:14). This paper seeks to explore and discuss important social consequences of crime in Mexico City. Researching this issue using public opinion survey data in Mexico’s Capital offers a good opportunity for two reasons. On one hand the incidence of crime is alarmingly high: surveys report that in any given twelve months, one out of every four adults are victims of an assault. Practically half of its population (45%) reports that a close relative has been the victim of a crime in the most recent three-month period<sup>4</sup>. Further, violence or threats are part of 55% of all crimes, half of which involve the use of a firearm (ICESI 2001b: 17). My intention is to go beyond the scattered research that has been done using public opinion surveys to compare victims to non-victims<sup>5</sup>. To my knowledge there are not any surveys that allow

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<sup>1</sup> Trough out the paper I will use the terms “costs” and “consequences” indifferently.

<sup>2</sup> The most commonly researched are the economic cost such as the loss of property (direct) or the cost for individual protection (indirect). Projections from a victimization survey estimated that the direct economic cost of crime for Mexico in 2001 was almost one-percentage point of its total GDP (ICESI 2001:5). Another set, often referred to as the “social costs of crime”, are the resources that a society invests in combating, preventing or managing crime.

<sup>3</sup> I am strictly referring in a quantitative sense, not in a qualitative one, which is precisely the focus of the psychological perspective. It is not my intention to treat different types of crime or victims as comparable cases.

<sup>4</sup> Source: survey results from Data OPM: *Termometro Capitalino* Time Series

<sup>5</sup> The focus of these studies has been to compare the position of respondents on issues like death penalty and use of arms.

this comparison, and include measurement of key social concepts (constructs) such as interpersonal trust, networking, membership, fear, well-being and institutional trust. A survey instrument was specifically design to measure each of these concepts using multiple items. The reliability of the concepts is tested using confirmatory factor analysis. Relations between concepts are shown using causal analysis assigning temporal precedence to the condition of being a victim (victimization experience).

### ***Crime and Social Capital***

A lot of work has been done to determine the causes of crime. Theories of crime causation include choice theory, trait theories, social structures theories, social process theories, conflict theory and integrated theories (Siegel 2000). However, apart from assessing the economic or psychological impact of crime, not much has been done to determine other types of consequences. The relation between Social Capital and crime has been address in recent work, but the focus of most of the literature gives causal priority to the former. My focus is the opposite. Crime as an important determinant of social capital does not appear to have been researched in depth. Social Capital is a useful theory to my work for three reasons: there is comprehensive research on how to measure it; it can be an effective indicator (proxy) of the well-being of a society; and there is extensive work of its consequences including its effect on democracy, development and economic growth.

The debate about the scope and measure of the concept of Social Capital is ample (see Grootaert 1997). For the purpose of my research I will use a combined definition of Social Capital in order to incorporate both, the cognitive and structural aspects of the concept. Social Capital is defined as “[t]he norms and values that permit cooperative behavior on the part of groups” (Fukuyama 1997) and of “[a]ny aspect of informal [or formal] social organization that constitutes a productive resource for one or more actors.” (Coleman 1994: 170). The first part of the definition includes the cognitive aspects of the term and it links them –the norms and values—to the structural aspect by recognizing the necessity of group manifestation. The second part fully incorporates the structural aspect of Social Capital while emphasizing its productive quality, a key component as it gives the term greater social relevance.

While there is consensus on finding an origin for the proponents of the concept, there is some debate about how Social Capital is formed within a society<sup>6</sup>. According to Krishna (2002: 19) there are three competing hypothesis on the causal placement and theoretical importance of the concept of Social Capital. The first category is the *Social Capital Thesis*, representing the work of those who explain most every other social phenomenon as being related causally to Social Capital. The *structuralist or institutionalist* present the opposite argument and treat Social Capital as a residual of structures. “The structuralist rejoinder against social capital picks up on what is perhaps the weakest point of the social capital thesis: the issue of origins. How is social capital brought into being, and why do levels of social capital vary from one society to another?” (Krishna 2002: 14-19). The intermediate position asserts only marginal causality. The model I intend to test, places crime as one of the possible structures that explains the levels of Social Capital and it also assumes that Social Capital will have important effects on individual opinions, perceptions, preferences and behavior. Further

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<sup>6</sup> Earlier theorist such as de Tocqueville, Durkheim or Weber, can be traced as relevant sources for the idea of social capital (Healy 2001: 40); however Bourdieu, Coleman and Putnam “have generally been credited with introducing it to the theoretical debate” (Baron et al 2000: 1)

discussions of the concept of social capital and its origin are beyond the possible sphere of my work<sup>7</sup>. Of more importance for my research design, are the dimensions and key forms of the concept. The dimensions provide a framework to understand the importance of the concept; the forms will help the operationalization of it.

Groeter and Bastelaer do a good job in illustrating the dimensions of social capital on two continuums: micro to macro and structural to cognitive. The first is self-explanatory; for the second they offer the following definition:

*Structural* manifestation refer to the more visible and perhaps more tangible aspects of the concept, such as local institutions, organizations and networks among people, which can be set up for cultural, social, economic, political, or other objectives. *Cognitive* social capital refers to more abstract manifestations, such as trust, norms, and values, which govern interactions among people (2002: 342).

According to Woolcock there are three basic forms of social capital: bonding, bridges and linkages (1998). Healy offers concise definitions of these terms: “Bonding refers typically to relations among members of families and ethnic groups. Bridging social capital refers to relations with distant friends, associates and colleagues. Linking refers to relations between different social strata in a hierarchy where power, social status and wealth are accessed by different groups” (2001: 42).

It seems plausible to assume that crime can undermine the future *trust to others* (particularly *bridging* often refer to as “thin trust”) that the victim will have. Thus, trust plays an important role in my research as it can be the strongest theoretical link between crime and Social Capital and because it is a crucial component of it. Fukuyama offers a definition of trust that has clear social implications for the three basic forms presented above. He defines it as the “expectation that arises within a community of regular, honest and co-operative behavior, based on commonly shared norms, on the part of other members of the community...” (1997: 26). Further, by reading Putnam’s conclusion it can be stated that trust is a social must with desirable spillover effects:

“Other things being equal, people who trust their fellow citizens volunteer more often, contribute more to charity, participate more often in politics and community originations, serve more readily on juries, give blood more frequently, comply more fully with their tax obligations, are more tolerant of minority views, and display many other forms of civic virtues” (2000:136)

Although my work will test a complex causal model, the single most important goal of my research is to see if indeed interpersonal trust is being affected by personal victimization experiences.

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<sup>7</sup> Most of the recent work on the topic includes a review of its evolution, shapes, forms and applications. The use of the concept has been the focus of recent research encompassing a wide variety of topics: from the nature of capital and education to development and democracy; from community to nation; quantitative to qualitative. Perhaps the most salient that of Putnam (1993 and 2000) Important reviews of the concept and how it is measured can be found in the works of Grootaert et al. (1997) Portes (1998), Woolcock and Narayan (2000) and Krishna (2002).

Smith uses a different but related dependent variable: misanthropy. He finds that "... recent negative life events (including criminal victimization and violence, health problems, unemployment, and traumas in general) increase misanthropy." He also finds that misanthropy is higher in those living in large cities. (Smith 1997: 184) Although misanthropy is not part of my work, I suspect it is correlated to trust, with causal precedence on the later. With out giving out much detail about his specific research in this area, Putnam reaches a comparable conclusion "... victims of crime and violence -- wherever they live—express reduced social trust, ..." (2000: 138). Further, at the aggregate level there is evidence suggesting a correlation between crime rates and measures of social capital. "Higher levels of social capital, all else being equal, translate into lower levels of crime" (Putnam 2000: 308). But again, the issue of causality and effect size needs further research.

Looking at homicide rates and controlling by "fear of crime" Putnam concludes "... that the causal arrows runs, at least in part, from social capital to crime" (2000: 309). While this finding is important, it is limited for two reasons: homicides account only for a very small fraction of criminal activity (a very extreme, often violent type of it); and his social capital index is structural rather than cognitive. My research includes both the experience (direct and indirect) and fear of crime; it will be more comprehensive in terms of the crimes it covers; and it includes structural and cognitive constructs of Social Capital. An additional difference is that Putnam reaches his conclusion trough an ecological approach dealing with aggregate data while I will be working with individual level differences. One of the most relevant publications, as it directly relates to my research question and draws conclusion from individuals rather than aggregates, is the work of Brehm and Rahn. They point out that one of the characteristics of Social Capital is that "...is an aggregate concept that has its basis in individual behavior, attitudes, and predispositions", further "[i]t is not a 'community' that participates or builds trust, but the people who compromise that community who belong to civic organizations and acquire positive feelings towards others" (1997: 1000-1003). One should expect that the personal experiences with crime would have an impact on what we think, what we do, and how we do it. It is very plausible to expect that a community, according to its levels of trust or networks, would prevent or allow crime (a buffering effect); however, that does not necessarily mean that crime is caused by the lack of Social Capital. Social Structures Theories of crime give emphasis to the economic indicators of a community as they "...view the disadvantage economic class position as a primary cause for crime" (Siegel 2000: 190). It is very likely that economic strata will be correlated to stocks of social capital, but most likely the cause of crime will be trigger by economic depression and not by lack of attendance to PTA meetings. It may be the case that correlations between crime and Social Capital are spurious as they share a common causal antecedent. Brehm and Rahn make a similar point referring to the correlation of trust and democracy and how they could both share a causal antecedent: economic development (1997: 1008). In their research they find that victimization undermines interpersonal trust, however the effect size is minimal compared to other substantive or demographic predictors (1997: 1012). I expect to find a larger effect size for Mexico where the incidence of the personal victimization is large.

Mexico City provides an ideal setting for my research for three reasons. As it was previously pointed, the incidence of direct personal victimization experiences is quite

large: 1 out every 4 adults; indirect experiences with crime are at least double that.<sup>8</sup> Second, there is evidence suggesting that the levels of Social Capital, at least in their principal structural components, have not changed significantly over time.<sup>9</sup> Without a doubt political participation has been on the rise for the last 15 years. Finally, most of the seminal and more salient work on Social Capital is based on research from the developed world, work that may be disputed or complemented by analyzing data from the developing world.

The positive link between social capital and democracy has been illustrated by many scholarly contributions (Baron et al 2000: 39). Although the argument will be used in the construction of a causal model, it is beyond the scope of my research to go into further detail, other than to summarize this correlation by noting that Social Capital has external and internal effects on democracy. The external effects can be summarized as a mean of social action, in which –using Putnam’s words-- “... individual and otherwise quiet voices multiply and are amplified” (2000: 338). The internal effect is concisely defined as a “school for democracy” (Putnam 2000: 339). Both kinds of effects are particularly important to Mexico’s transition to and/or consolidation of democracy. The work of Krishna, with focus on the developing world, finds that there is need to activate social capital in order to make it more productive, stocks are not enough. In her words: “... some form of agency is usually necessary for converting social capital into flows of benefits” (2002:12). Although stocks of social capital, measured by group membership appear to be low in Mexico<sup>10</sup>, it maybe crucial to find ways to “detonate” them in favor of development. If crime rates disable or hurt (even further) the available stocks of social capital that a community owns, then it can be said that the cost of crime can be of great harm to the successful development of any society. Another important research question of the present study is to determine if crime is obstructing the creation of “civic communities” as Putnam calls them, or even further causing uncivic ones.

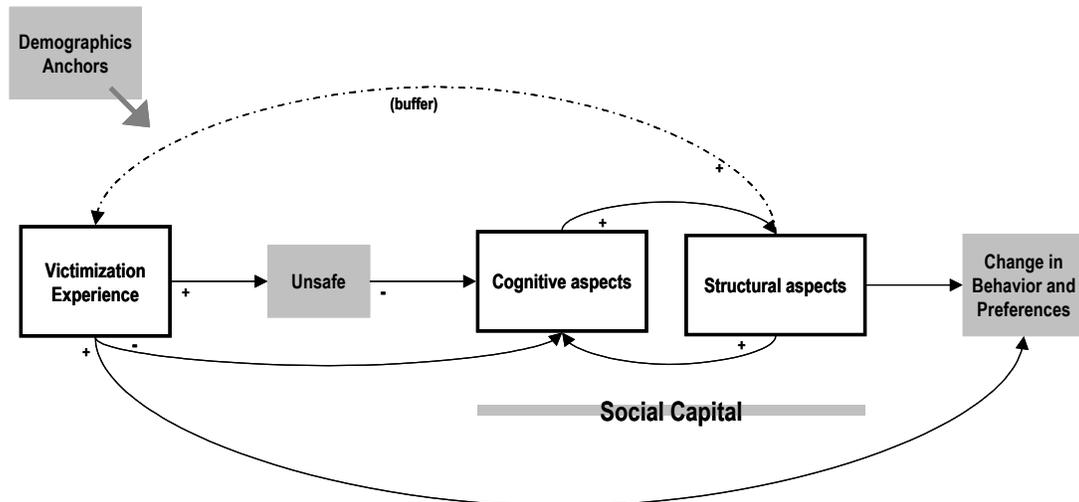
The following is the causal model I intend to test. It asserts causal priority to crime, impacting the cognitive aspects of social capital, directly and indirectly (through feeling unsafe a proxy of fear). It also shows that the social capital system (comprised of the cognitive and structural variables) has a direct impact on perceptions, opinions, preferences and behaviors, which are important to democracy and development.

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<sup>8</sup> Source: survey results from Data OPM: *Termometro Capitalino* Time Series.

<sup>9</sup> Comparison of the 1990 and 2000 Mexican Data of the World Value Survey of the University of Michigan. There is mixed evidence on Social Capital indicators. While structural aspects have remained the same (networking) and perceptions of personal health and happiness increased, indicators of interpersonal trust decreased significantly.

<sup>10</sup> Source: survey results from Data OPM: *Termometro Capitalino* Time Series



My General Hypothesis is that individuals with personal victimization experiences are less likely to possess or generate Social Capital than non-victims.

The following specific hypothesis will be tested in my research:

*Individuals with personal victimization experiences are less likely to ...*

- a) Trust other individuals;
- b) Trust institutions;
- c) Be members of formal organizations;
- d) (*more likely to*) Change their behavior;
- e) Report good personal health; and
- f) Prefer democracy.

*...than non-victims.*

## **Methodology**

My unit of analysis is the individual. I will examine each of the 1006 respondents from a representative sample among residents of Mexico's Federal District of 18 years of age or older. The survey was conducted the 12 and 13 of April 2003, by Data OPM, a private polling firm located in Mexico City. This survey is wave seventeen of a longitudinal survey call the *Termometro Capitalino* (TC) started in December of 1997. The TC is one of the few, if not the only survey in Mexico that does not use any kind of quota control for its sample selection<sup>11</sup>. The results have a margin of error of +/- 3% at a 95% confidence level.

Personal victimization experience is defined as being a victim of a crime within the last twelve months. It has been argued that questions asking about crime experiences may be unreliable because the person has to rely on memory, more so when the questions

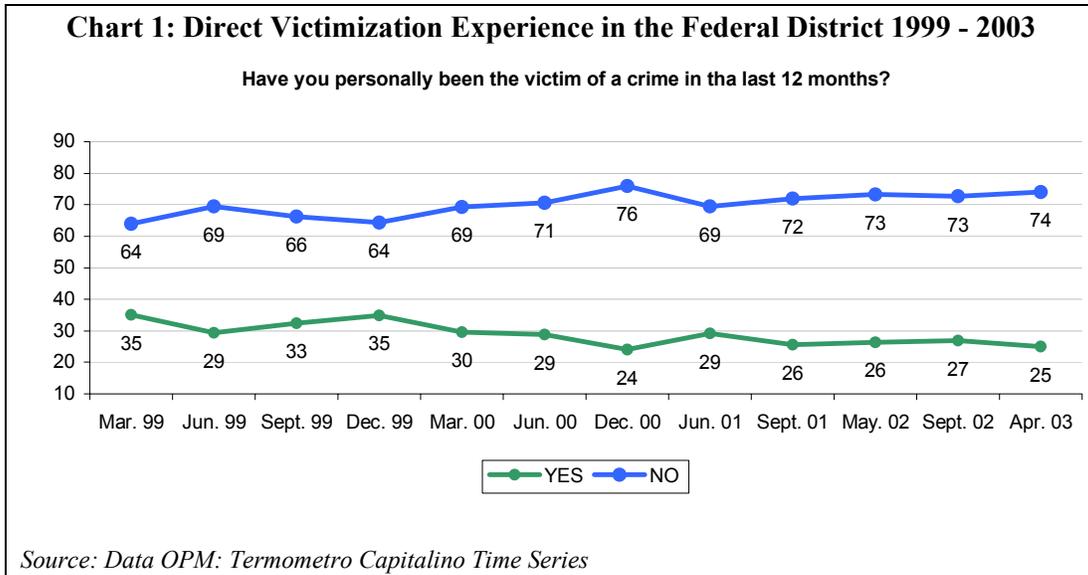
<sup>11</sup> The TC uses the list of electoral sections in the District Federal as its sample framework. Sample selection is a multi-stage process. The first stage is systematic random selection of electoral sections with probability of selection proportional to the number of register voters for each selection. A total of 101 sections were selected using this procedure. Ten interviews are conducted in each selected sections; two housing units (*manzanas*) are randomly selected in each section; within each of these, five households are selected using a systematic random procedure. Finally, within the household one person is selected using the last birthday method.

ask about a relatively long timeframe. I believe this is true. From 1997 to 2001, I personally was a victim on three different occasions. I recall them with precision; however I cannot provide an accurate date for such events. It can be argued that the more traumatic the event the more likely that a person will remember it as something within the near past; but it can also be argued that it will be more likely to be placed in time with greater precision. My research does not intend to provide the incidence of crime, the *cifra roja*, as it is commonly refer to in victimization surveys. I am interested in comparing victims to non-victims; thus even do the operationalization of this variable can overestimate the incidence of crime, I am confident that it will set apart those that at some point (and most of them within the timeframe of my questions) were victims of a crime. By comparing the time series for this questions it can be stated that results for the survey are internally consistent (within series consistency). Chart 1 reports personal victimization experience of resident of Mexico's Capital over a four-year period; it suggests that crime is decreasing slowly overtime. It also shows that the question used has been consistent over time. A twelve-month period was chosen as the optimal timeframe in order to have enough "victims" in the sample (25% of total sample). Additional to the within consistency of results, a between survey comparison with other polling firms was conducted in order to have an external evaluation of the reliability of the survey.<sup>12</sup>

It is expected that some individuals will report more than one victimization experience for this timeframe; the variable reflects this by assigning a higher value to such individuals. I expect to find a similar behavior between individuals with indirect and direct victimization experiences. Indirect victimization experience is defined as having at least one household member and/or at least one close family member being a victim of a crime within the last twelve months. It is likely that indirect victimization experience could be over-reported as it relies on indirect and thus less precise information. A variable name UNSAFE will be constructed as a proxy of "fear", it will be measured by asking how safe/unsafe people feel in different places. These three variables will conform the Victimization Experience System (VES). For the research possession or generation of Social Capital is composed by the following variables: interpersonal trust (thick, thin and trustworthiness), formal networks (membership) and institutional trust.

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<sup>12</sup> For example: approval ratings of AMLO reported by the Reforma Newspaper were 77% approval /17% disapproval rate (Grupo Reforma: 18 to 21 of January 2003). The DATA OPM - TC wave seventeen, found similar numbers for April 2003: 77 approval /12% disapproval.



The TC is conducted in a single weekend. This allows for a quota-free sample procedure, as it is easier to reach individuals in their homes in the weekend. However it is important to mention that no recalls were conducted.<sup>13</sup> This may impact the measurement of the stock of Social Capital because it has been argued that individuals with greater trust (a key component of Social Capital) are more likely to agree to respond a survey (thus the results may be overestimating it). But again my purpose is not to provide measurement on the quantity but rather to assess individual differences.

### Reliability Tests for Constructs

The measurement model tested includes fourteen variables. Five are single-item variables and the rest of them are latent variables (multi-item constructs); The multi-item constructs are: Bridging (active thin trust), Change in Behavior, Unsafe, Formal Networks (membership), Health, Indirect Victimization Experience, Institutional Trust, Preference for Democracy and Trustworthiness. To test the constructs a Confirmatory Analysis was conducted testing for internal and external consistency. Table 1 shows that these constructs are reliable and internally consistent. The last column of the table shows the number of items from the original design (included in the survey) that are not included because of an unsatisfactory factor loading or lack of external consistency. Items included in the constructs comply with the following three characteristics: a loading of at least 0.3; internally and theoretically consistency; and external reliability. The description of items, transformation of variables and exact factor loadings is found in annex 1.

<sup>13</sup> Refusal rate is reported at 24% of contacts

<b>Table 1</b>			
<b>Results of Confirmatory Factor Analysis for Constructs</b>			
Construct (alphabetically)	No. of items	Alpha	No. of items not included
Bridging (active thin trust)	7	.73	0
Change in Behavior (stop doing activities)	7	.80	0
Unsafe (proxy for fear)	6	.74	3
Formal Network (membership)	10	.68	1
Health (well being)	6	.76	0
Indirect Victim Experience	2	.55	0
Institutional Trust	10	.84	2
Preference for Democracy	2	.41	1
Trustworthiness	2	.41	0

### Path Analysis

To test the expected relations between variables, a causal model was constructed running the computer program PMOD 5.0.<sup>14</sup> The causal analysis model includes fourteen variables. These are the nine constructs presented in table 1 plus the following single-item variables: Gender, Age, Socioeconomic Level (SEL), Bonding (thick trust) and Direct Victimization Experience. The results of the path analysis are presented in a path diagram in Figure 1. The model has a root-mean squared error (RMSE) of 0.059, a test used to assess the overall goodness of fit of the model. The lower the RMSE the greater the fit of the model. Values lower than 0.10 are considered to represent a proper fit, thus the model presented here has a very good fit.<sup>15</sup>

The numbers presented in the model show the effect size that one variable has on another. The arrows show the direction of such effect. The model is constructed from a correlation matrix in which all correlations are statistically significant. A positive number (i.e. effect size) shows a direct relation and a negative and inverse relation between variables. For example, those individuals that report that a close family member has been a victim of a crime (INDIRECT Victim) are 0.13 more likely to feel UNSAFE than those who do not report an indirect victimization experience. In this case, INDIRECT Victim has a direct effect on UNSAFE. The model shows multiple relations. In the previous example UNSAFE is being caused by INDIRECT Victim, however UNSAFE is also impacting several variables. For example, for individuals with higher values of fear (UNSAFE) there are lower values of BRIDGING (trust in others – thin trust). For this example the model shows an arrow going from UNSAFE to BRIDGING and a negative value of -.13 (an inverse relation).

The model shows direct and indirect effects. Direct effects are arrows from one variable to another as it was just discussed. An indirect effect is the impact that one variable has on another *through* one or more additional variables. The indirect effects are multiplicative. Table 2 shows the total effect that Fear (UNSAFE) has on Institutional Trust. This total effect is -.198, a sum of an indirect effect of -.13 and an indirect effect of -.068. For the purpose of this paper I will discuss only the direct

<sup>14</sup> Software developed by Hunter and Hamilton 1998.

<sup>15</sup> The Chi Square (198.52 with 59 degrees of freedom) significance test is not included in the text because it is not relevant for large samples like the one used in this study.

effects, however the reader should keep in mind that any effect size discuss could be bigger by incorporating the indirect effects.

Table 2 Total effect of UNSAFE on Institutional Trust			
Type of effect	Path	Multiplicative	Effect size
Direct Effect	UNSAFE → Ins. Trust	-.13	-.13
Indirect effect	UNSAFE → Trustworthy → Ins. Trust	-.25 X .13	-.033
Indirect effect	UNSAFE → Bridging → Ins. Trust	-.13 X .18	-.023
Indirect effect	UNSAFE → Trustworthy → Bridging → Ins. Trust	-.25 X .32 X .18	-.014
Indirect effect	UNSAFE → Change in Behavior → Bonding → Bridging → Ins. Trust	.30 X .12 X .25 X .18	.002
<b>TOTAL EFFECT</b>			<b>-0.198</b>

## Findings

In order to facilitate the discussion of the findings, I will refer to the causes or impacts of two systems within the model. The first is the Victimization Experience System (VES) comprised of Direct and Indirect Victimization Experience and the construct Unsafe (feeling unsafe). Direct (DV) and Indirect Victimization (IV) Experience both have a small positive effect on feeling Unsafe, however path coefficient are lower than expected ( $\rho = .09$  and  $\rho = .13$  respectively). There are two possible explanations for this. In part it can be attributed to the construction of the predictors DV and IV and the fact that their distribution is not normal<sup>16</sup>. It can also be the case that for Mexico City, regardless of how we measure it, the condition of being victim is no longer functioning as a variable, but rather a constant. This would imply that *being victim* is embedded in the condition of living in the D.F. Indeed it may be the case that we find very high incidence of people reporting being a victim of a crime at least once in their lives, or even so for shorter time periods such as the last three, five or ten years. If this is true, even partially, it means that the social consequences of being a victim are in some degree present in all of the residents of Mexico's Capital. This is a worse case scenario. Additional findings pertaining this system are that higher income individual report being more expose to crime (path coefficient of  $\rho = .17$  going from SEL to Indirect Victim); the same is found among younger individuals ( $\rho = -.09$  and  $\rho = -.11$  going from Age to DV and IV respectively).

The second System is the Social Capital System (SCS) including the three cognitive variables/constructs (Bonding, Bridging and Trustworthy) and the structural one (Formal Networks/membership). The Path Diagram shows that within the system all of the variables have an effect on Bridging. Those that have greater trust in family members (Bonding) have more trust in *others* such as coworkers and neighbors ( $\rho = .25$ ). The same is found for trustworthiness ( $\rho = .32$ ). It is also interesting to note that the more active, as measured by membership in formal networks, are also more likely to trust others more ( $\rho = .11$ ). This is a finding reported in most of the literature and an important component of a reinforcing process key for reproducing stocks of Social Capital. Following is the discussion of how these two systems interrelate and their impact on other key social construct.

<sup>16</sup> For Direct Victimization Experience 75% of the sample report no crime, while the rest of the sample is divided into one crime (16%), two (6%) and three or more (3%). This presents the problem of irregular (non normal) distribution and can also be less powerful because of range restrictions. The same issue may be occurring with Indirect Victimization Experience.

Although DV and IV do not have a direct significant effect on the SCS, the condition of feeling Unsafe appears to be significantly impacting the *thinner* levels of trust. Feeling Unsafe has a negative effect on both Trustworthiness ( $\rho = -.25$ ) and Bridging ( $\rho = -.13$ ). This means that the condition of feeling unsafe undermines the trust we have in others. It is a good thing to see that Bonding is not being impacted at all by the VES. This is something I was expecting, especially in the context of Mexico, a cultural environment with (still) strong nuclear family relations. If any, this is probably the greatest asset of the Mexican society, at least in terms of Social Capital Theory. There are no impacts of the VES on the structural component of the SCS going on the direction hypothesized. Interestingly the model reports a small causal relation between Formal Networks and Direct Victimization Experience. This is due to the composition of the Formal Networks construct, as it reflects active membership in ten different kinds of organizations (see annex for details). This causal link means that the more active, measured by membership, are victims in greater proportion than those less active. This can be viewed as an “exposure dilemma” and it can also have a toll on Social Capital. The more active a person is, the more likely that he or she will be exposed to crime when *going out* to fulfill membership obligations. If this is a pattern found in time it can have important social consequences as it increases the chances of the “most” active individuals becoming inactive in order to reduce their personal risk. More research is needed in order to assess this and other findings presented here; a cross-sectional survey is a good first step but nonetheless is limited. Probably the best way to approach further research is to conduct panel studies to track how individuals change overtime<sup>17</sup>.

One of the most impacted construct is Institutional Trust. This is due in part to the close conceptual relation between interpersonal trust and institutional trust. Significant positive effects are found from Bridging, Trustworthiness and Formal Networks to Institutional Trust ( $\rho = .18$ ,  $\rho = .13$  and  $\rho = .15$  respectively). Thus the more an individual trusts others and the more he or she is an active member of formal organizations the higher the institutional trust that person will have. An important direct negative effect of feeling Unsafe is also found on Institutional Trust ( $\rho = -.13$ ). The VES is also indirectly impacting Institutional Trust (indirect negative effect through the SCS). If Trust in Institutions is a desired component of a democracy, then it can be stated that one important consequence of crime (mainly through the fear proxy, the condition of feeling unsafe) is that it undermines democracy. Another direct negative effect of feeling unsafe is its impact of the preference for democracy ( $\rho = -.13$ ). The more a person feels unsafe, the more likely that he or she will favor an authoritarian regime. Another interesting finding is that older individuals appear to prefer democracy in higher proportions than younger people ( $\rho = .10$ ). As it was discussed above, younger individuals are victims in higher proportions than older persons. Thus, younger Mexicans start out being less democratic in preference and are also at higher risk of being a victim (and feel more unsafe) thus we could have unwanted generational impact of crime on democracy.

As a system, the strongest effect of the VES is on Change in Behavior. This construct accounts for things people are avoiding or stop doing, like going out at night, visiting relatives or taking a taxi. There are direct positive effects on Change in Behavior from

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<sup>17</sup> At the end of the TC, each respondent is asked if they would like to participate in future research. If their answer is positive they are asked for their phone number. Surprisingly, the number of respondents that provide their telephone number consistently accounts for almost half of the sample.



stocks of Social Capital and Human Capital. In synthesis: victims feel less safe thus becoming less trusty of others and avoid doing certain important social activities. They also show that it could be weakening democracy by undermining Institutional Trust and augmenting preference for an authoritarian regime. This has clear policy implications. In a more general sense, investing in the containment, prevention and eradication of crime may yield higher return rates than expected or than other types of public expending. Specifically it appears to be of crucial importance to reduce the levels of “perceived individual safety”.

I started my research using Social Capital as a convenient and powerful way of showing these undesirables consequences of crime. I was drawn into this concept not so much for its ability to be tied to almost every social phenomenon, but rather for its potential to generate equalitarian growth. It has great potential to reintroduce a social dimension for capitalism as Baron suggest (2000: 13). For Mexico, I think, it also needs to be detonated in order to fully take advantage of its potential<sup>19</sup>. Mexico is experiencing a historical inflection point amidst political changes and power struggles between legality and illegality. A nation in the middle of an opportunity, as Paterson suggests “..how and when social capital is created, perhaps the answer lies in moments of sharp social conflict, where power relations are shifting, and where the outcome is not determined in advance because there is a myriad of possible new networks to be formed.” (2000: 54). It is up to us, the present, to make sure that the necessary actions are taken in order to set sail towards a better future. Can Mexico afford the present and future impact of crime on social capital?

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<sup>19</sup> Borrowing from the work of Krishna and the need to provide “agencies” for its detonation.

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## ANNEX 1: VARIABLES INCLUDED IN CAUSAL MODEL, INDEX CONSTRUCTION AND FACTOR LOADINGS

Anchors and single variables		
Name	Variable	Recoded Values (original code on questionnaire)
<b>GENDER (male)</b>	Q1 Gender	1 = male / 0 (2) = female
<b>AGE</b>	Q2 Age	18 to 97 years
<b>SE</b>	Income (number of possessions)	1 to 5 / 3 (6) = Intermediate
<b>BONDING</b>	BD1 Trust Family	4 (1) = a lot / 3 (2) = some / 1 (3) = little / 0 (4) nothing / 2 (9) Intermediate
<b>DIRVICT (direct victim)</b>	DV1 Victim within the last 12 months	5 (4) = three or more times / 3 = twice / 1 (2) = once / 0 (1) = no / 0 (9) = Intermediate

Index Construction			
Name	Item	Factor Loading	Recoded Values (original code questionnaire) = category
<b>INSTRUST (Institutional Trust)</b>  Alpha = .842	IT3 Press	54	4 (1) = a lot / 3 (2) = some / 1 (3) = little / 0 (4) nothing / 2 (9) Intermediate
	IT4 Television	51	
	IT5 Unions	50	
	IT6 Political parties	63	
	IT7 Big corporations	58	
	IT8 Federal government	58	
	IT9 Congress	66	
	IT10 Public officials	65	
	IT11 Judges	62	
IT12 Policy	61		
<b>BRIDGING (Thin Trust)</b>  Alpha = .728	BR1 Trust Neighbors	57	4 (1) = a lot / 3 (2) = some / 1 (3) = little / 0 (4) nothing / 2 (9) Intermediate
	BR2 Trust Coworkers	43	
	BR3 Trust Clerks where you shop	44	
	BR5 I trust the majority of my neighbors	60	3 (1) = agree / 2 = neither / 1 (3) disagree / 2 (9) = Intermediate
	BD2 Leave keys with neighbor	46	3 (1) = agree / 2 = neither / 1 (3) disagree / 2 (9) = Intermediate
	N12 The neighborhood is united	57	3 (1) = agree / 2 = neither / 1 (3) disagree / 2 (9) = Intermediate
N13 Neighbors have helped me	61	3 (1) = agree / 2 = neither / 1 (3) disagree / 2 (9) = Intermediate	
<b>TRUSTW (worthiness)</b>  Alpha = .413	BD3 Most people can be trusted	53	3 (1) = most people can be trusted / 1 (2) = you can not be to careful / 2 (9) = Intermediate
	BR4 Trust People in the street	53	4 (1) = a lot / 3 (2) = some / 1 (3) = little / 0 (4) nothing / 2 (9) Intermediate
<b>NETWORK (membership)</b>  Alpha = .678	N2 Member Work related	30	4 (1) = active member / 3 (2) = just member / 1 (3) = was a member / 0 (4) never has been member / 2 (9) Intermediate
	N3 Member neighborhood group	51	
	N4 Member Education related	47	
	N5 Member credit union	49	
	N6 Member political party	39	
	N7 Member sport org.	47	
	N8 Member cultural org.	45	
	N9 Member religious org.	31	
	N10 Member informal finance	32	
N11 Member NGO / charity	48		
<b>HEALTH</b>  Alpha = .755	HE1 Headaches	54	0 (1) = Yes / 3 (2) = No / 3 (9) Intermediate
	HE2 Easily get scared	60	
	HE3 Frequently feel nervous	71	

	HE4 Difficulty doing routine activities	51	
	HE5 Feel tired most of the time	69	
	HE6 Personal health	46	5 (1) = very good / 4 (2) = good / 3 = regular / 2 (4) = bad / 3 (9) regular
<b>INDVICT (indirect victim)</b>  <b>Alpha = .551</b>	IV2 Household member victim within the last 12 months	63	1 to 7 / 0 (99) = No, Intermediate
	IV5 Family member victim within the last 12 months	63	1 to 7 / 0 (99) = No, Intermediate
<b>UNSAFE (of crime)</b>  <b>Alpha = .738</b>	F1 Feel safe at home	35	1 = completely safe / 2 = somewhat safe / 4 (3) = somewhat unsafe / 5 (4) = completely unsafe / 3 (9) = Intermediate
	F2 Feel safe at work	37	
	F4 Feel safe in street	74	
	F5 Feel safe in supermarket	74	
	F6 Feel safe in public transportation	71	
	F7 Feel safe private transportation	52	
<b>BEHAVE (change in)</b>  <b>Alpha = .799</b>	BE1 Stop visiting relatives	57	1 = yes / 0 (2, 9) = no
	BE2 Stop going out at night	62	
	BE3 Stop going out very early	59	
	BE4 Stop taking a taxi	66	
	BE5 Stop using public transportation	61	
	BE6 Stop carrying cash with me	59	
	BE7 Stop dressing certain way	57	
<b>PREFDEMO (preference democracy)</b>  <b>Alpha = .413</b>	K1 Authoritarianism	53	5 (1) = democracy is preferable / 1 (2) under some circumstances authoritarian is desirable / 3 (9) Intermediate
	K3 Democracy is preferable	53	5 (1) = strongly agree / 4 (2) = somewhat agree / 2 (3) = somewhat disagree / 1 (4) = strongly disagree / 3 (9) = Intermediate