

Moving Citizens and Deterring Criminals: Innovation in Public Transport Facilities

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Preview

- Spatial Difference-in-Difference (SDiD) and Identification of Mechanisms. Flores and Flores-Lagunes (2009), Delgado and Florax (2015), Chagas et al. (2016).
- Empirical exercise for the Metrocable in Medellin (Colombia)
- Neighborhoods immediately next to the Metrocable stations had a reduction in homicides of 40% higher than the rest of the city between 2004-2006. This figure is 51% for the medium-run (2004-2012).
- Positive externalities of the Metrocable in terms of reduction of homicides are observed in neighborhoods farther than 2 kilometers.
- Improvements in labor conditions and increases in police presence account for 40% of the total effect of the Metrocable on homicides in the short-run. In the medium-run, these mechanisms explain a quarter of the total effect.

Outline

- 1 Introduction
- 2 Literature review
- 3 Methodology
- 4 Data
- 5 Results
- 6 Concluding remarks

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Motivation

The treated neighborhoods before the Metrocable construction:



Source: Medellín Mayor's Office (2009).

Motivation

The treated neighborhoods after the Metrocable construction:



Source: Flickr and TeleMedellin. Downloaded on Dec, 2019.

Motivation

The investment was more than just the Metrocable:



Source: Quesada (2013).

Motivation

- Urban policies are tools to deal with city challenges: labor force efficiency, transportation, and crime.
- Determinants of crime in big cities might affect: payoffs of crime, probability of apprehension, and citizens' characteristics (Glaeser and Sacerdote, 1999). We focus on **infrastructure**.
- This study examines the effects of urban infrastructure on crime and its mechanisms. Could be relevant for cities that implement these systems and those with high crime criminality:
 - Some examples: La Paz, Rio de Janeiro. Mexico City.

Medellín & Metrocable

- Medellín (Colombia) faces insufficient public transportation and a high incidence of criminal activity.
- Labeled one of the most violent cities in the world 20 years ago, it has had a remarkable reduction in crime rates: 98.2 homicides per 100,000 inhabitants in 2000 to 26.95 in 2014.
- **Metrocable:** cable cart public transportation system introduced in 2004 to reach geographically challenging areas.
- The number of homicides around the two initial metro lines decreased after the implementation of the Metrocable.
- Significant decrease in commuting time and cost of transportation.

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The role of public transportation stations

- Loukaitou-Sideris et al. (2001, 2002) finds no direct positive effect of all Los Angeles' metro stations on crime. It depends on the station's characteristics.
- La Vigne (1996, p.191) argues about Washington D.C.'s metro:
Metro's success suggests that it is indeed possible to manipulate environments to reduce criminal opportunities. Further, it implies that offenders do consider the costs and benefits of their actions, weighing the risks of apprehension versus the effort and expected payoff, and considering the presence of capable guardians when weighing those risks.

The role of public transportation stations

- Levine and Wachs (1986); Brantingham and Brantingham (1993); Loukaitou-Sideris (1999): stations act as **crime attractors** or **generators**.
- Ehrlich (1973); La Vigne (1996); Foster et al. (2010): on the contrary, stations **reduce crime** acting as **safe zones** for citizens and increasing policing.

A previous Metrocable study

- Cerda et al. (2012) examine the effect of Metrocable on crime using pre and post-implementation surveys.
- The homicide rate decreased 66% more in treated neighborhoods.
- **Pros:** captures the feeling of victimization, uses diverse crime outcomes.
- **Cons:** lack of information at low geographical level, specific control group, perception variables, no spatial specification.

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Hypotheses

- Metrocable led to a greater homicide reduction for treated neighborhoods.
- Stations act as security zones.
- **Economic mechanism:** Metrocable has an inclusive effect, improving residents' social opportunities (Lochner (1999); Scorzafave and Soares (2009); Menezes et al. (2013)). This mechanism is supported by the 'Spatial mismatch hypothesis' (Kain, 1992)
- **Police mechanism:** stations have police presence and security cameras, which deter criminal activity (Becker (1968); Ehrlich (1973)).
- There's a spillover effect on neighbors, which could impact broader areas.

Assumptions

- Treatment (Metrocable) was assigned according to geographical characteristics.
- Neighbors of treated units experienced similar crime reduction patterns as the treated geographical units.
- Spatial side effects can be identified for the last assumption.

Spatial Diff-in-Diff

- We use a spatial difference-in-difference approach (similar to Delgado and Florax (2015) and Chagas et al. (2016)).
- Crime outcomes:
 - $y_i(1)$ if region i is affected by Metrocable.
 - $y_i(0)$ if region i is not affected.
- A starting model would be:

$$y_{it} = X_{it}\beta + u_{it} \quad (1)$$

Spatial Diff-in-Diff

- Due to the relevance of the spatial relationship, the correct specification would be:

$$Y_{it} = \rho W_i Y_i + X_{it}\beta + U_{it} \quad (2)$$

Where W is a spatial weight matrix.

Spatial Diff-in-Diff

- The traditional Diff-in-Diff equation has the form:

$$Y_{it} = X_{it}\beta + \alpha_0 D_i + \alpha_1 t_t + \alpha D_i * t_t + U_{it} \quad (3)$$

Where:

- t_t is a time dummy (0 for pre-treatment and 1 post-treatment).
- α measures the impact of the treatment.
- D is a binary vector which identifies treated units.

Spatial Diff-in-Diff

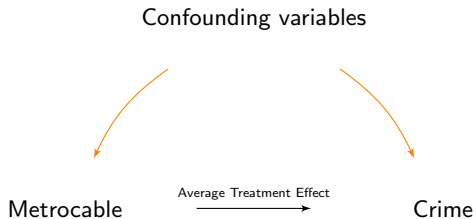
- Including spatial effects, the model is re-specified as:

$$Y_{it} = \rho W_i Y_t + X_{it} \beta + \alpha_0 D_i + \alpha_1 t_t + \alpha D_i * t_t + \alpha_2 W_i D + \delta W_i D * t_t + U_{it} \quad (4)$$

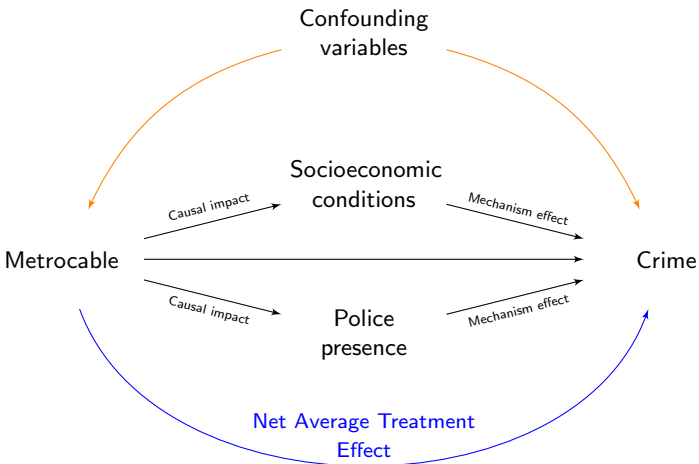
- α_2 captures differences between units spatially correlated with treatment and the control group.
- δ identifies the spatial effect of treatment.
- We evaluate the **average treatment effect**:

$$ATE = E [Y (1) - Y (0) | X, D, t, WD] \quad (5)$$

Mechanisms



Mechanisms



Main Assumptions

We rely on the following 3 main assumptions to estimate and identify the Mechanism Average Treatment Effect and the Net Average Treatment Effect (Flores and Flores-Lagunes (2009) provide similar assumptions).

$$Y(1, S_j(1)), Y(0, S_j(0)), Y(1, S_j(0)) \perp D \mid X, t, W \quad (6)$$

$$Y(1, S_j(1)), Y(0, S_j(0)), Y(1, S_j(0)) \perp \{S_j(1), S_j(0)\} \mid X, t, W \quad (7)$$

$$E[Y(1, S_j) \mid S_j = s_j, X, t, W] = f_1(s_j, X, t, W) \quad (8)$$

Mechanisms

How we do it?

- Estimate the effect of the treatment on the outcome
- Estimate the effect of the mechanism on the outcome
- Obtain the marginal effects of the mechanisms on the outcome (for treated units)
- Plug the obtained effect of the treatment on the mechanism using the marginal effects.

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Data sources

- We use georeferenced homicide data as our output.
- We compiled georeferenced data for arrests, burglary
- Complementary covariates are taken from the Quality of Life survey (2004, 2005, 2006, 2012).
- Geographical units of analysis come from the *max-p regions* model from Duque et al. (2012).
- The *max-p regions* model designs regions keeping a number of observations and a high degree of homogeneity, reaching significance at low geographical levels.

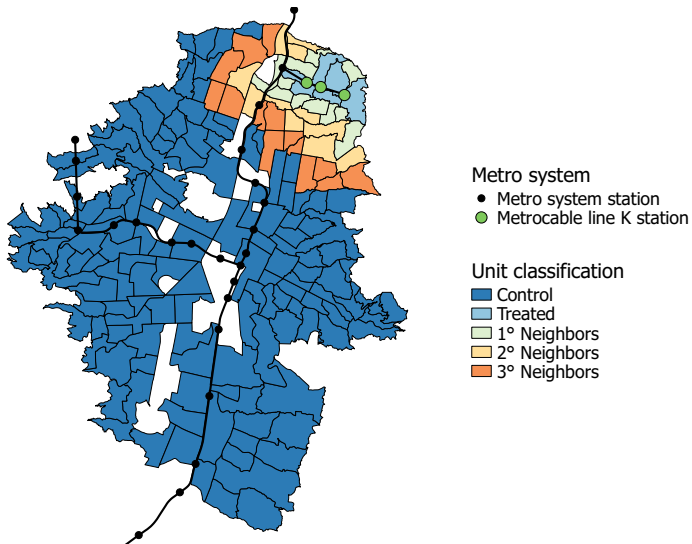
City's Background

- Geographical barriers: Medellin River
- Between 2004 and 2007 the city spent 6.6 times the construction cost of the Metrocable in 290 complementary programs.
- Public space per resident increased from 0.65 to 1.48 square meters, and the number of trees in the area rose from 154 to 527.
- “Medellin la mas educada”
- “Medellin Solidaria”
- Sex-Ed program to teenagers in 2006.

Summary statistics

Variable	Observations	Statistic	Year		
			2004	2006	2012
City data					
Homicides per 100,000			50.51	35.91	52.28
Captures per 100,000			315.03	212.33	225.57
% workers without retirement			70.39%	60.22%	42.95%
Average labor income			\$667,107	\$542,474	\$929,615
% Married			24.68%	24.50%	23.97%
% Youth 15-19 not in school			31.84%	28.17%	28.17%
% Secondary education			45.51%	41.01%	39.67%
Treated+1st Neighbors					
Homicides per 100,000	17	Mean	54.18	20.58	25.97
Homicides per 100,000	17	Std. Dev.	28.53	22.93	23.77
Captures per 100,000	17	Mean	194.28	72.65	118.63
Captures per 100,000	17	Std. Dev.	74.20	53.88	69.32
% workers without retirement	17	Mean	77.36%	74.97%	58.76%
% workers without retirement	17	Std. Dev.	7.77%	10.40%	7.77%
Average labor income	17	Mean	\$393,935	\$386,661	\$482,469
Average labor income	17	Std. Dev.	\$46,474	\$52,504	\$48,231
No treated					
Homicides per 100,000	159	Mean	58.56	35.41	51.57
Homicides per 100,000	159	Std. Dev.	111.57	42.58	61.88
Captures per 100,000	159	Mean	505.94	253.90	305.05
Captures per 100,000	159	Std. Dev.	1726.42	888.07	700.51
% workers without retirement	159	Mean	69.35%	58.25%	40.83%
% workers without retirement	159	Std. Dev.	13.79%	13.54%	15.14%
Average labor income	159	Mean	\$789,289	\$582,321	\$1,000,106
Average labor income	159	Std. Dev.	\$582,971	\$363,935	\$736,281

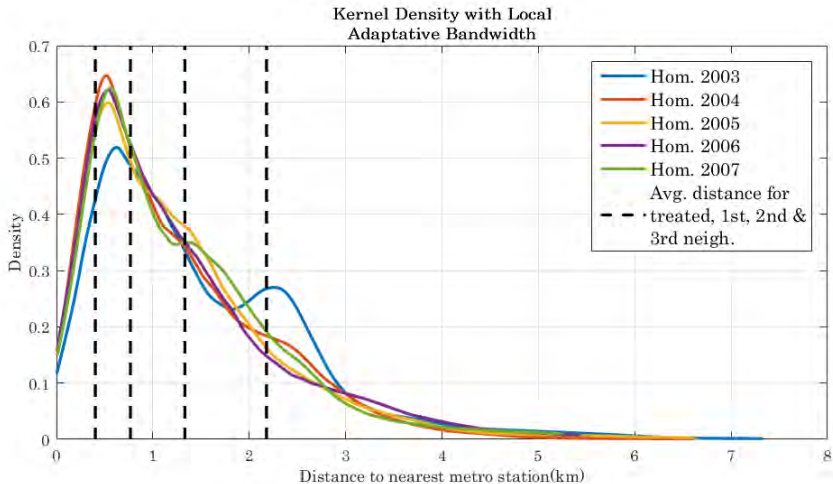
Max-p regions and treatment levels



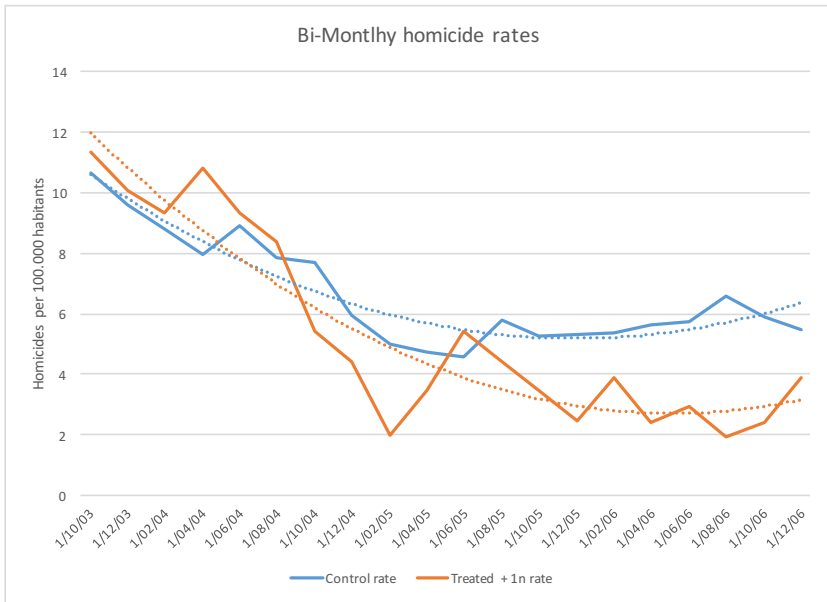
Sample size and distance to treatment

Group	Mean distance to nearest Metrocable Line K station (Km)		Number of geographical units in group	
	Neighborhoods	Maxp 30	Neighborhoods	Maxp 30
1st Neighbors	0.69	0.77	11	11
2nd Neighbors	1.15	1.33	13	10
3rd Neighbors	1.84	2.18	9	14
Others	6.65	6.82	186	135
Total	5.65	5.54	226	176

Homicide distribution



Pre and post-treatment behavior of homicides



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Main results

Dependent: ln(Homicides+1)	Treated		Treated + 1st Neighbors		Treated + 2nd Neighbors		Treated + 3rd Neighbors	
Short impact (2004-2006)								
Total Impact	-0.388 (0.23)	*	-0.511 (0.19)	***	-0.163 (0.18)		-0.089 (0.17)	
	-32.17%		-40.00%		-15.00%		-8.54%	
Net of Economic mechanism	-0.350 (0.22)		-0.443 (0.19)	**	-0.117 (0.18)		-0.051 (0.16)	
	-		13.37%		-		-	
Net of Police mechanism	-0.359 (0.22)		-0.422 (0.19)	**	-0.138 (0.17)		-0.062 (0.15)	
	-		17.45%		-		-	
Net of Both mechanisms	-0.278 (0.22)		-0.298 (0.19)		-0.049 (0.17)		0.016 (0.15)	
	-		41.76%		-		-	
Medium impact (2004-2012)								
Total Impact	-0.633 (0.37)	*	-0.721 (0.22)	***	-0.585 (0.20)	***	-0.612 (0.17)	***
	-46.89%		-51.40%		-44.29%		-45.78%	
Net of Economic mechanism	-0.577 (0.37)		-0.687 (0.22)	***	-0.568 (0.20)	***	-0.600 (0.17)	***
	-		4.83%		2.92%		2.02%	
Net of Police mechanism	-0.480 (0.37)		-0.629 (0.21)	***	-0.486 (0.18)	***	-0.483 (0.16)	***
	-		12.80%		16.87%		21.06%	
Net of Both mechanisms	-0.376 (0.37)		-0.560 (0.21)	***	-0.440 (0.18)	**	-0.443 (0.16)	***
	-		22.35%		24.71%		27.61%	

Main results

Dependent: ln(Homicides+1)	Treated	Treated + 1st Neighbors	Treated + 2nd Neighbors	Treated + 3rd Neighbors
Short impact (2004-2006)				
Total Impact	-0.388 (0.23) -32.17%	* -0.511 (0.19) -40.00%	*** -0.163 (0.18) -15.00%	-0.089 (0.17) -8.54%
Net of Economic mechanism	-0.350 (0.22) -	-0.443 (0.19) 13.37%	** -0.117 (0.18) -	-0.051 (0.16) -
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Robustness checks

- Crime Displacement
- Neighborhoods as analytical units
- Placebo test: a no so fake Metrocable
- Buffers
- Genetic Matching
- Other crimes
- Endogeneity of captures
- Monthly structure including pre-treatment periods

Sequential estimations: criminal displacement?

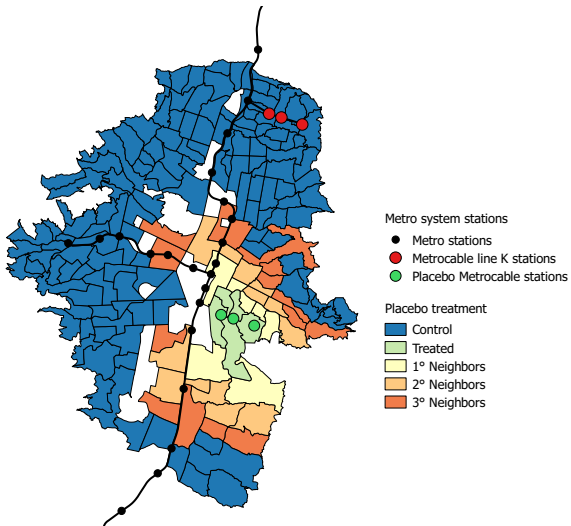
Spatial Diffs-in-Diffs using Max-p regions

Dependent: ln(Homicides+1)							
	Short impact (2004-2006)						
	Treated		1st Neighbors		2nd Neighbors	3rd Neighbors	
Treated	-0.388 (0.23)	*					
Treated + 1st Neighbors	-0.415 (0.23)	*	-0.564 (0.26)	**			
Treated + 2nd Neighbors	-0.388 (0.22)	*	-0.527 (0.26)	**	0.389 (0.31)		
Treated + 3rd Neighbors	-0.392 (0.23)	*	-0.528 (0.26)	**	0.392 (0.32)	0.055 (0.26)	
	Medium impact (2004-2012)						
	Treated		1st Neighbors		2nd Neighbors	3rd Neighbors	
Treated	-0.633 (0.37)	*					
Treated + 1st Neighbors	-0.684 (0.36)	*	-0.742 (0.26)	***			
Treated + 2nd Neighbors	-0.717 (0.36)	**	-0.769 (0.26)	***	-0.319 (0.33)		
Treated + 3rd Neighbors	-0.785 (0.37)	**	-0.829 (0.26)	***	-0.378 (0.34)	-0.534 (0.27)	**

Robustness test: neighborhoods as geo-units

Dependent: ln(Homicides+1)	Treated		Treated + 1st Neighbors		Treated + 2nd Neighbors		Treated + 3rd Neighbors	
Difference-in-Differences								
Short Impact (2004-2006)								
Total Impact	-0.430 (0.23) -34.98%	*	-0.501 (0.20) -39.38%	**	-0.133 (0.17) -12.47%		-0.041 (0.16) -4.00%	
Medium Impact (2004-2012)								
Total Impact	-0.619 (0.32) -46.17%	*	-0.676 (0.22) -49.12%	***	-0.605 (0.18) -45.39%	***	-0.561 (0.17) -42.96%	***
Spatial Difference-in-Differences								
Short Impact (2004-2006)								
Total Impact	-0.435 (0.22) -35.27%	**	-0.523 (0.20) -40.74%	***	-0.150 (0.16) -13.89%		-0.058 (0.16) -5.64%	
Medium Impact (2004-2012)								
Total Impact	-0.588 (0.31) -44.45%	*	-0.676 (0.22) -49.12%	***	-0.601 (0.18) -45.18%	***	-0.553 (0.17) -42.49%	***
Number of treated units	7		18		31		40	
Number of control units	219		208		195		186	

Placebo test



Placebo estimation

Dependent: ln(Homicides+1)	Treated		Treated + 1st Neighbors	Treated + 2nd Neighbors	Treated + 3rd Neighbors
Difference-in-Differences					
			Short Impact (2004-2006)		
Total Impact	-0.477 (0.42) -37.95%		-0.172 (0.34) -15.82%	-0.123 (0.26) -11.54%	-0.218 (0.20) -19.56%
			Medium Impact (2004-2012)		
Total Impact	-0.661 (0.30) -48.35%	**	-0.441 (0.29) -35.65%	-0.312 (0.24) -26.81%	-0.203 (0.18) -18.33%
Spatial Difference-in-Differences					
			Short Impact (2004-2006)		
Total Impact	-0.524 (0.36) -40.79%		-0.180 (0.30) -16.50%	-0.129 (0.24) -12.14%	-0.217 (0.19) -19.54%
			Medium Impact (2004-2012)		
Total Impact	-0.639 (0.30) -47.23%	**	-0.462 (0.27) -37.01%	* -0.340 (0.23) -28.79%	-0.222 (0.18) -19.93%
Number of treated units	5		12	24	39
Number of control units	171		164	152	137

Placebo Metrocable

Beginning 2017, our “fake” Metrocable was opened.



Source: Al Poniente (2016).

Other Robustness checks

- Crime Displacement
- Neighborhoods as analytical units
- Placebo test: a no so fake Metrocable
- Buffers [here](#)
- Genetic Matching [here](#)
- Other crimes [here](#)
- Endogeneity of captures [here](#)
- Monthly structure including pre-treatment periods

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Conclusions I

- The point estimates suggest that the implementation of the cable cart did not have an effect in the treated units alone, but had a large and statistically significant effect when considering the treated and neighbor units (up to third-degree, depending on the time frame).
- Our results seem not to rely on the choice of Max-p analytical units, as similar temporal and geographical effects arise when using neighborhoods as observations.
- Migration must not distort our estimates, as treated areas have under-average rates of migrant population (6% - 10%).
- We find no evidence of criminal displacement.

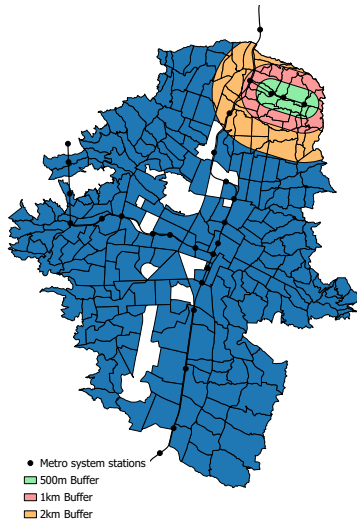
Our estimates suggest the greatest impact on homicide rates is found in a frame

- between 500m and 1km from the nearest Metrocable station. This is where neighbor units are mainly located.
-

Conclusions II

- The Metrocable has reduced medium-run homicide rates in first neighbors by 51% while when considering the second neighbors this effect is reduced to 44%.
- In the short run, about 13% of the total effect can be attributed to the economic mechanism, which tends to be reduced in the medium run.
- We find that about 17% of the effect in the short run can be explained by the police mechanism (deterrent), however, this mechanism reduces to about 13% in the medium run.
- Finally, we find that a combination of these two mechanisms explains about 40% of the effect in the short run and near 25% in the medium run.

Robustness test: buffer estimations



- Neighborhoods as analytical units.
- Units are considered treated if at least 10% of their area lies in the buffer.

Robustness test: buffer estimations

Dependent: $\ln(\text{Homicides}+1)$	500m	1km		2km	
	Short Impact (2004-2006)				
Total Impact	-0.335 (0.21)	-0.313 (0.20)		-0.047 (0.18)	
	-28.45%	-26.88%		-4.63%	
Net of Economic mechanism	-0.304 (0.21)	-0.255 (0.20)		-0.035 (0.17)	
	-	-		-	
Net of Police mechanism	-0.399 (0.22)	* -0.265 (0.19)		-0.055 (0.16)	
	-	-		-	
Net of Both mechanisms	-0.300 (0.23)	-0.153 (0.19)		0.015 (0.16)	
	-	-		-	
	Medium Impact (2004-2012)				
Total Impact	-0.334 (0.26)	-0.628 (0.22)	***	-0.578 (0.19)	***
	-28.42%	-46.63%		-43.91%	
Net of Economic mechanism	-0.324 (0.27)	-0.582 (0.22)	***	-0.572 (0.19)	***
	-	7.38%		1.16%	
Net of Police mechanism	-0.347 (0.25)	-0.521 (0.21)	**	-0.477 (0.17)	***
	-	16.97%		17.52%	
Net of Both mechanisms	-0.296 (0.26)	-0.449 (0.21)	**	-0.431 (0.17)	**
	-	28.43%		25.48%	

Robustness test: genetic matching

- Proposed by Diamond and Sekhon (2013), restricts the control set to improve pre-treatment homogeneity.
- Weights for covariates are determined using a genetic search algorithm.
- We perform 1-to-1 matching based on pre-treatment social controls, homicides, and geographical characteristics: elevation and slope.

Robustness test: genetic matching

Analytical regions as spatial units						
	1st Neighbors		2nd Neighbors		3rd Neighbors	
Short impact (2004-2006)	-0.531 (0.32)		-0.532 (0.24)	**	-0.410 (0.21)	*
	-41.21%		-41.28%		-33.61%	
Medium impact (2004-2012)	-1.008 (0.30)	***	-0.817 (0.24)	***	-0.840 (0.20)	***
	-63.50%		-55.82%		-56.83%	
Neighborhoods as spatial units						
	1st Neighbors		2nd Neighbors		3rd Neighbors	
Short impact (2004-2006)	-0.248 (0.26)		-0.284 (0.23)		-0.175 (0.23)	
	-22.00%		-24.72%		-16.07%	
Medium impact (2004-2012)	-0.554 (0.31)	*	-0.830 (0.26)	***	-0.688 (0.22)	***
	-42.55%		-56.39%		-49.75%	

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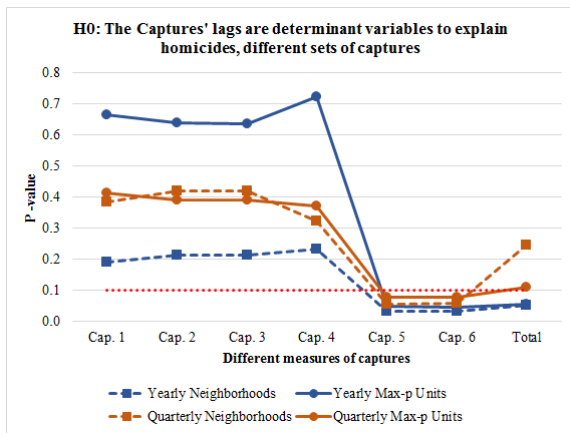
Robustness test: Other Crimes

Dependent:	Treated	Treated + 1st Neighbors	Treated + 2nd Neighbors	Treated + 3rd Neighbors
ln(Auto Theft+1)				
		Short Impact (2004-2006)		
Total Impact	-0.502 (0.35) -39.50%	0.318 (0.30) 37.44%	0.502 (0.25) 65.17%	** 0.477 (0.21) 61.05%
		Medium Impact (2004-2012)		
Total Impact	-0.199 (0.28) -18.08%	-0.278 (0.25) -24.28%	-0.433 (0.25) -35.13%	* -0.518 (0.22) -40.44%
ln(Theft to Establishments+1)				
		Short Impact (2004-2006)		
Total Impact	-0.058 (0.57) -5.61%	0.060 (0.35) 6.20%	0.217 (0.29) 24.27%	0.176 (0.25) 19.23%
		Medium Impact (2004-2012)		
Total Impact	-0.065 (0.54) -6.32%	0.074 (0.33) 7.68%	0.103 (0.28) 10.80%	0.269 (0.23) 30.81%
Number of treated units	7	18	31	40
Number of control units	219	208	195	186

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Robustness test: Endogeneity of captures

$$Hom_{i,t} = \alpha_0 + \sum_{j=1}^p \rho_j Hom_{i,t-j} + \sum_{m=0}^q \beta_m Cap_{i,t-m}^{(k)} + u_{i,t} \quad (9)$$



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