

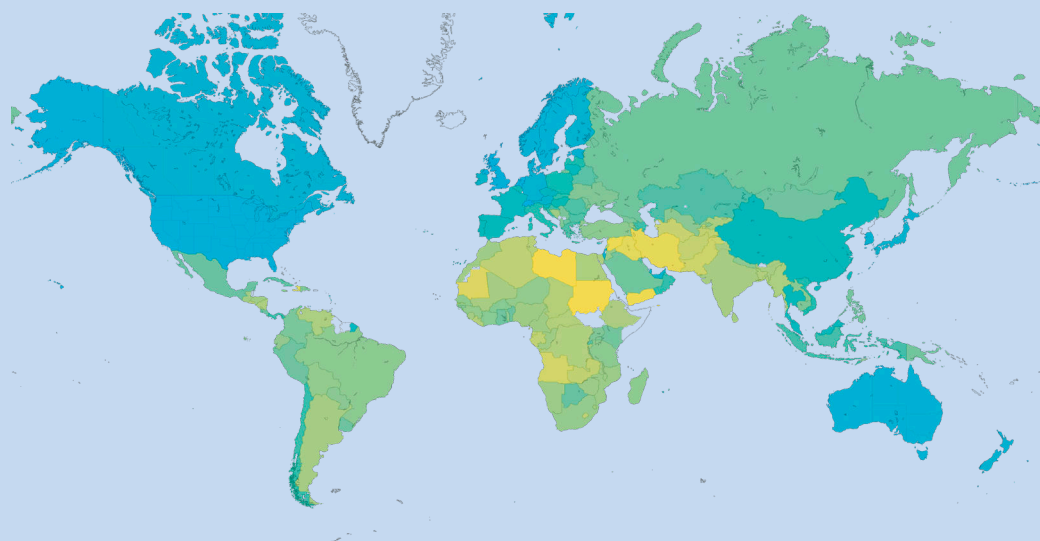
This PDF includes a contribution from the following book:

ELITE QUALITY REPORT 2021

Homicide: Do countries with better-quality elites tend to be less violent?

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Homicide rate Indicator Scorecard (HOM): Do countries with better quality elites tend to be less violent?

The EQx2021 has incorporated an Indicator for the intentional *Homicide rate* (HOM, iii.8) in 101 countries. This allows us to specifically analyze the relationship between this Indicator and national Elite Quality. In general, one can state that the better the quality of the national elite system, the lower the level of violence in a country, as elites will develop institutions that do not allow criminal business models to prosper in their political economy. Violence is the key asset in the business model of crime while the heuristic for violence used in the EQx is the homicide rate.

But the impact of violence is far from simple and not always linear. Firstly, violence affects elites, as it is an obstacle to economic and social development. In this sense, violence impacts the business models of elites and their ability to create value and hence Elite Quality. Specifically, it reduces investment, affects tourism, and blights the general quality of life across society. Therefore, we have a two-way road where if the elite system accepts criminal business models, the resultant violence hurts it just as much as non-elites.

However, despite this general conjecture, there are notable exceptions. Some countries hold a high position in the EQx Rankings but also suffer from relatively high homicide rates. Conversely, some countries with low homicide rates are poorly positioned in the EQx. Numerous factors, including religion, access to firearms, culture, gang presence and drug trafficking, economic and political transition, enable business models based on violence.

106

Visual 4.1: EQx clusters for HOM analysis

EQx Cluster	Average HOM (raw data)
High Elite Quality	1.3
Average	1.0
Eastern Europe	3.7
USA	5.0
Muslim	0.5
Middle Elite Quality	5.8
Average	5.3
War/Civil War	2.5
Gang/Drugs	27.2
Muslim	0.7
Low Elite Quality	10.5
Average	3.9
War/Civil War	8.1
Gang/Drugs	26.9
Muslim	2.0
General Total	6.0

For this analysis, the 101 countries assessed in the HOM have been divided into three Elite Quality clusters: high Elite Quality (rank # 1 to 38); middle Elite Quality (rank # 38 to 77); and low Elite Quality (rank # 78 to 151). We observe that the average *Homicide rate* is 1.3 per 100,000 people in the high Elite Quality group, rising to 5.8 per 100,000 people in the middle Elite Quality group, and then escalating again to 10.5 per 100,000 people in the low Elite Quality group. The average HOM rates for the three EQx clusters are presented in the Visual 4.1.

Although the US has a high EQx Ranking (rank # 5), it is a known exception within this select group due to its historical particularities, social and racial inequalities, and ease of access to firearms. It has a *Homicide rate* (HOM, iii.8, rank # 69) of around 5 per 100,000 people. The same is true in Eastern European countries such as Estonia (HOM, iii.8, rank # 48), Latvia (HOM, iii.8, rank # 65), and Lithuania (HOM, iii.8, rank # 67) which have only recently transitioned to liberal capitalist democracies but still retain many characteristics from the previous system and still have high HOM rates. On the other hand, and this is true for all three EQx clusters, countries with an Arab culture and a large Muslim population tend to record low levels of homicide. This is apparent to such an extent that they skew the HOM average lower in all three clusters.

Several Latin and Central American countries have severe problems with endemic violence. These are related to the persistent presence of business models that support gang presence and drug trafficking, high social inequality, poor urbanization, criminal justice inefficiency, and high alcohol consumption. The region has the highest *Homicide rate* globally (Venezuela, El Salvador, Honduras all rank # 79). These countries increase the average homicide rates for both the middle and low EQx clusters.

**Homicide rate**

Sub-Index (L2)	Value
Index Area (L2)	Political Value
Pillar (L3)	Taking Income
Indicator Code (L4)	iii.8_HOM
Indicator weight (in EQx)	0.7%
Indicator weight (in Pillar)	8.8%
Countries covered	101
Year of inclusion in EQx	2021
Conceptual optimum	-1
Year Used	2016 - 2018
Data Source	The United Nations Office on Drugs and Crime (UNODC)

Description

A country's Homicide rate measures the number of homicides per 100,000 people per year.

Rationale

The Homicide rate is a proxy Indicator for internal peace (and has, as its counterpart, the Battle-related deaths Indicator that measures external peace). The lack of internal peace compromises the ability of the agents of the political economy to develop Value Creation business models. Furthermore, the absence of domestic security signifies a failure to deliver inclusive Political Value. High crime rates, the effects of which fall disproportionately on non-elites, are effectively a tax on citizens. Hence, this Indicator is part of the Taking Income Pillar. Finally, homicide is an ultimate form of Value Extraction; if crime is a tolerated business model it results in measurable economic loss which accrues in the context of immense suffering and social breakdown.

Rank /101	Country	Score	Rank /101	Country	Score	Rank /101	Country	Score
1	Singapore	100	51	Azerbaijan	53	97	South Africa	0
2	Japan	95	52	Georgia	53			
3	Oman	94	53	Albania	52			
4	Indonesia	86	54	Myanmar	52			
5	Norway	83	55	Bangladesh	51			
6	Slovenia	83	56	Belarus	51			
7	United Arab Emirates	82	57	Sri Lanka	51			
8	China	81	58	Lebanon	50			
9	Italy	80	59	Hungary	50			
10	Croatia	79	60	Turkey	50			
11	Netherlands	79	61	Mauritius	47			
12	Switzerland	79	62	India	46			
13	Czech Republic	79	63	Thailand	46			
14	Korea, Rep.	78	64	Pakistan	42			
15	Spain	78	65	Latvia	39			
16	New Zealand	75	66	Chile	39			
17	Poland	75	67	Lithuania	39			
18	Portugal	73	68	Kenya	37			
19	Ireland	71	69	United States	37			
20	Syrian Arab Republic	71	70	Cuba	37			
21	Australia	71	70	Kazakhstan	37			
22	Greece	70	72	Argentina	36			
23	Germany	69	73	Ecuador	34			
24	Austria	69	74	Burundi	33			
25	Denmark	68	75	Mongolia	33			
26	Sweden	67	76	Tanzania	33			
27	Benin	67	76	Ukraine	33			
27	Guinea-Bissau	67	78	Bolivia	32			
27	Uzbekistan	67	79	Philippines	32			
30	Slovak Republic	66	80	Afghanistan	31			
31	Bosnia and Herzegovina	65	81	Haiti	31			
32	France	65	82	Paraguay	30			
33	United Kingdom	65	83	Nicaragua	29			
34	Serbia	64	84	Peru	28			
35	Cyprus	64	85	Russian Federation	27			
36	Romania	64	86	Panama	24			
37	Burkina Faso	63	87	Eswatini	24			
37	Saudi Arabia	63	88	Dominican Republic	23			
39	Bulgaria	63	89	Uganda	22			
40	Cameroon	62	90	Costa Rica	21			
40	Jordan	62	91	Uruguay	19			
42	Morocco	62	92	Central African Republic	10			
43	Finland	59	93	Guatemala	7			
44	Armenia	58	94	Colombia	5			
45	Belgium	58	95	Brazil	3			
46	Canada	57	96	Mexico	2			
47	Ghana	54	97	Honduras	0			
48	Estonia	54	97	Jamaica	0			
49	Kyrgyz Republic	53	97	El Salvador	0			
50	Nepal	53	97	Venezuela, RB	0			

The Elite Quality Report 2021 (EQx2021) provides Country Scores & Global Rank for 151 countries
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Countries that have experienced (or are experiencing) civil or external wars tend to be more violent as firearms remain in circulation, and social and economic tensions tend to be high. However, in countries where the elite system is reasonably effective at building institutions to counter violence, the effects of external or civil wars may not necessarily imply a further growth in violence. Note that in the middle Elite Quality cluster, the average HOM for countries affected by civil or external conflict (2.5) is lower than the overall cluster average (5.8).

Perhaps this inverted U shape could be related to Acemoglu and Robinson's 'Red Queen Effect' outlined in their 'Narrow Corridor' theory (Acemoglu & Robinson, 2019), highlighting the never-ending tension between state capacity and social mobilization. When state capacity is weak, it is hard to enforce laws. But

if state capacity is too strong relative to non-elites, violence could come from abusive elites within these institutions. A good elite culture may facilitate a healthy balance between civil society and institutions, which is essential to guarantee law and order without state power becoming abusive.

There is not space for us to undertake an exhaustive analysis here, as that would require many other variables to be taken into account, but the overall message of the data seems clear: improving the quality of the elite system can be one of many ways to reduce violence and crime in countries because, after a certain Elite Quality threshold is reached, the *Homicide rate* associated with criminal business models tends to fall.

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Visual 4.2: EQx Scores correlation with *Homicide rate* (HOM, iii.8)
Note: Orange dashed line indicates a fitted regression line. Adjusted R-squared: 0.285.
Random selection of country codes are printed in case of country overlaps.

