

MARTHA RODRIGUEZ-VILLALOBOS

Universidad de Monterrey, Mexico

KARLA GARZA-SANTILLÁN

Universidad de Monterrey, Mexico

AIDA GUTIERREZ

Universidad de Monterrey, Mexico

DETERMINANTS OF VIOLENCE IN MEXICO

Abstract:

This paper determines whether income inequality is the main determinant of violence (measured as the homicide rate) in Mexico, when considering the so-called "hot zones" of the country during the period from 2001 to 2013. By Least Squares in Two Stages (2SLS) with fixed effects, it was found that the main determinants to reduce violence are the increase in the number of students studying the secondary level and the better salary conditions. It was also found that the percentage change in wages is decisive to reduce the level of violence, specifically, a 1% increase in salaries decreases violence levels by 1.19%. As of 2007, the entities belonging to the "hot zones" had a level of violence 0.74% higher than the rest.

Keywords:

Income Inequality, Crime, Instrumental Variables, Mexico

JEL Classification: C36, D31, O54