

Abstract:

Using a novel data set, which we have constructed using Mexican municipal sources, containing measures of violence, victimization, detention, and educational outcomes, we estimate the effects of criminal recruitment and exposure to violence on high school dropouts in Mexico during the War on Drugs. Our identification strategy deals with two potential sources of reverse causality. First, exogenous variation in violence caused by increasing Colombian cocaine-seizure rates is exploited to handle a potential two-way relationship between education and violence. Second, possible bidirectional causation between education and recruitment is addressed through a matching procedure that exploits the variation in detected criminal recruitment across municipalities exhibiting similar educational outcomes. At the national level, we estimate that between 11,900 and 24,400 students dropped out from high school out of exposure to violence effects. As for recruitment effects, we estimate that they represented between 7,250 and 8,416 dropouts over the 2007-2010 period.

Key Words: War on Drugs, Violence, Human Capital, Crime.