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El Salvador's Crackdown Policy, Perceived Security, and Everyday Activities

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Abstract

Objective: To assess how El Salvador's crackdown policy reshaped perceived security.

Methods: We exploit the March 2022 State of Exception, which more than doubled the prison population within a year and substantially weakened gangs' territorial control. The empirical strategy combines a difference-in-differences design with an event study. Outcomes are drawn from El Salvador's Multipurpose Household Survey and capture whether household members perceive they can safely carry out everyday activities: letting children play outside, letting women move freely in public, feeling safe leaving home alone, going out at night, and operating a business.

Results: The policy is associated with improvements across all measures of perceived security and reported everyday activities. The perceived ability to allow children to play outside increased by 7.5 percentage points, for women to move freely in public by 6.4 percentage points, to feel safe leaving home alone by 6.7 percentage points, to go out at night by 9.9 percentage points, and to operate a business by 8.3 percentage points.

Conclusion: Although El Salvador's State of Exception was designed to incapacitate criminal gangs through mass incarceration, our findings suggest that its consequences extended beyond conventional crime outcomes. Households reported a greater ability to carry out everyday activities that had long been constrained by gang control.

Keywords: El Salvador, incarceration, fear of crime, everyday mobility, operating a business.

JEL: K14, K42.

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1 Introduction

Where criminal organizations exercise territorial control, they constrain public safety and, with it, the everyday activities of residents. Gangs control movement across neighborhood boundaries, dictate when residents may leave their homes, and extort local businesses. We ask whether households report a greater ability to carry out those activities once the state substantially weakens that control.

Weakening gangs' territorial control could relax the constraints that criminal organizations had long imposed on everyday life, so that households can once again allow children to play outside, go out at night, or operate a business. Yet removing gangs does not by itself restore security. Their departure may open space for other criminal actors, or common crime may rise in their place. Whether the removal of territorial control translates into greater freedom to carry out everyday activities is therefore an open empirical question.

El Salvador's 2022 crackdown provides a sharp setting for this question. On 26 March 2022 the country recorded its bloodiest day since the civil war, and within twenty-four hours the legislature declared a State of Exception. The decree stripped away a set of civil liberties, doubled the maximum sentence for gang membership from twenty to forty years, and let the police jail anyone they suspected of belonging to a gang. The detentions reached a scale with no recent precedent in the region. Quarterly arrests climbed from roughly ten thousand to more than forty-six thousand in the second quarter of 2022 alone, and the prison population swelled past one hundred thousand within a year.

We use the Salvadoran Multipurpose Household Survey, a nationally representative monthly survey, to assess how the crackdown reshaped perceived security. We analyze the 2017 through 2023 waves, excluding 2020 because the COVID-19 pandemic disrupted data collection and eliminated the geographic information required for our analysis. From the survey, we construct five binary indicators that capture households' reported ability to engage in everyday activities:

allowing children to play outside, allowing women to move freely in public, feeling safe leaving home alone, going out at night, and operating a business.

Because the crackdown applied nationwide, no contemporaneous untreated region exists. We therefore employ a difference-in-differences design that exploits variation over time rather than across locations, following the approach commonly used to study nationwide shocks such as the COVID-19 pandemic. Specifically, we compare the before-and-after change surrounding the March 2022 crackdown in the 2021 through 2023 sample with the corresponding before-and-after change observed over the same calendar months in the pre-crackdown period (2017 through 2019). We then estimate an event-study specification to trace the dynamics of these changes and assess the validity of the parallel trends assumption.

All five measures improve after the crackdown. Going out at night rises by 9.9 percentage points, followed by operating a business at 8.3, allowing children to play outside at 7.5, feeling safe leaving home alone at 6.7, and women moving freely in public at 6.4. Event-study estimates show no evidence of differential pre-trends, and the changes emerge shortly after the crackdown and persist through the end of the sample.

This paper contributes to three literatures. The first concerns criminal governance and state capacity, the authority and social control that criminal organizations exercise over the territories they dominate and what follows when the state contests it (Lessing, 2021; Melnikov et al., 2025). Melnikov et al. (2025) show that gang territorial control in San Salvador confined residents to their own neighborhoods and cut them off from work elsewhere in the city, with the constraint operating through control of movement rather than exposure to violence. We ask the question from the other end. What do households report once the state substantially weakens that control? They report a greater ability on every mobility margin we measure.

A second body of work documents how crime and the fear of victimization restrict everyday activity. Caregivers keep children indoors in neighborhoods perceived as

unsafe (Egan and Pope, 2024; Huertas-Delgado et al., 2018), women avoid public transit and isolated public spaces (Loukaitou-Sideris, 2014; Alfaro et al., 2025), nighttime activity declines as violence rises (Balmori de la Miyar, 2019), and crime discourages firm entry while raising business exit (Hipp et al., 2019; Biswas and Jain, 2025). This work traces how rising insecurity constrains behavior, and we trace the return trip. The reported ability to carry out everyday activities, including operating a business, rises when gangs' territorial control weakens, which fits the role of gang extortion as a longstanding barrier to business activity in El Salvador.

We also speak to research on mass incarceration and its social consequences. El Salvador's State of Exception more than doubled the prison population within a year, a scale the region had not seen in decades. That scale makes it an informative case for asking how large-scale incarceration reshapes daily life beyond the crime and incarceration counts that evaluations usually track. We document one such margin: in the general population, households report a greater ability to carry out everyday activities that gang territorial control had long constrained. To our knowledge, this dimension of a mass incarceration campaign of this size has received little attention.

Our findings address one dimension of the policy's consequences rather than its overall costs and benefits. El Salvador acted under particular political and institutional circumstances, and the campaign carried real costs in civil liberties, due process, and the wrongful jailing of innocent people. By late 2024, the government reported that it had released around eight thousand of those it detained (Congressional Research Service, 2025).

Our results should therefore not be read as an endorsement of mass incarceration as a policy. Rather, they identify a distinct consequence of weakening criminal territorial control: households regain the freedom to move, participate in markets, and carry out everyday activities that organized crime had constrained. The broader policy question is how to achieve these gains while preserving civil liberties, due process, and democratic limits.

The remainder of the paper proceeds as follows. Section 2 sets out the theory and reviews the empirical evidence. Section 3 describes El Salvador's gang problem and the 2022 State of Exception. Section 4 presents the data and lays out the difference-in-differences and event-study designs. Section 5 reports the main estimates, the robustness checks, and the heterogeneity results. Section 6 interprets the findings, draws out their implications, and concludes.

2 Perceived Security and Fear of Crime

2.1 Theory

Fear of crime combines an emotional response to the possibility of victimization with a cognitive assessment of its likelihood (Skogan, 1986). It is conceptually distinct from actual victimization. A person who has never been a victim can hold an elevated perception of risk, and a victim can normalize the threat and report little fear. Because most residents learn about local crime indirectly, through rumor, the media, and official statistics, fear tracks the broader environment in which people move, work, and travel rather than the crimes they experience directly (Liska et al., 1988).

Fear matters because it changes behavior. Fearful residents withdraw from public life and confine their movements to the safest times and routes. These restrictions can reinforce perceptions of danger by limiting residents' exposure to public spaces (Liska et al., 1988). That withdrawal also carries a social cost. Removing legitimate users from the street weakens the informal control that would otherwise deter crime (Skogan, 1986).

Three theories explain what sets the level of fear. The oldest is the incivility argument, which links fear to visible signs of local disorder. Untended disorder signals that no one controls the street, residents read the signal as a warning of danger, and physical and social decay therefore raises perceived risk even where recorded crime is low (Wilson and Kelling, 1982). Fernandes (2018) extends this argument by showing

that visible signs of police activity can also increase fear, even when crime itself does not increase. Arrests raise the fear of violent crime in Seattle neighborhoods even when the underlying crime rate does not move, because the flashing lights and the visible apprehension of a suspect read as evidence that danger is near.

A second account ties fear to the erosion of collective efficacy, defined as social cohesion combined with shared expectations for the social control of public space (Sampson and Raudenbush, 1999). Where a community cannot enforce shared norms in public, residents perceive an environment they cannot govern, and fear rises.

Fear also depends on where a person stands. Exposure and vulnerability vary with class, race, sex, age, and urban residence, so fear runs highest among women, the elderly, the poor, and urban residents (Liska et al., 1988; Lee et al., 2022). The same environment produces more fear among those least able to avoid or absorb victimization. Lee et al. (2022) confirm the pattern in a survey of five U.S. states, with higher fear among women and lower fear among the better educated and higher earners.

These mechanisms operate with particular force under criminal governance, the exercise of authority and social control by criminal organizations that partially substitute for or complement the state (Lessing, 2021). Gangs mark territory and enforce their rule in plain view, which supplies the disorder cue, and the state's retreat from public space leaves community norms displaced by coercion. Poor urban neighborhoods carry most of the burden, since that is where gang rule concentrates.

Melnikov et al. (2025) provide direct evidence of how MS-13 and Barrio 18 exercised territorial control in San Salvador. They secured their borders with checkpoints, confined residents to the territory where they lived, and taxed the businesses that operated there. Under these conditions fear of crime becomes a structural feature of the local environment rather than a response to isolated events.

Criminal organizations build durable structures of authority, from extortion networks to systems of borders and informants, that outlast any single confrontation

with the state (Lessing, 2021; Melnikov et al., 2025). Disrupting these structures may weaken criminal control. Yet, removing the gangs does not, on its own, guarantee that security returns. Their departure can open space for other criminal actors to move in or for common crime to rise, and the machinery of governance they leave behind can prove hard to clear (Melnikov et al., 2020).

What happens to fear when a mass incarceration campaign weakens criminal governance? The direction is theoretically ambiguous, because it depends on which mechanism dominates. Fear may fall sharply. Removing gang territorial control lowers the actual incidence of victimization, clears the visible disorder that drives the incivility channel, and restores a state presence that can rebuild collective efficacy (Wilson and Kelling, 1982; Sampson and Raudenbush, 1999).

Fear may also prove resistant, or even rise. Here the incivility channel can cut the other way. If residents interpret the visible presence of law enforcement as a signal that danger is near, then heightened security presence and the warrantless detention of tens of thousands may sustain perceived risk rather than relieve it, much as the arrests studied by Fernandes (2018) raised the fear of violent crime rather than lowering it. The suspension of constitutional protections may compound this effect for parts of the population. Fear may also persist if the conditions that sustained it, such as poverty, weak institutions, and the memory of years of gang rule, survive the reclaiming of territory (Liska et al., 1988; Lee et al., 2022). An intervention that removes the visible cues without rebuilding the underlying capacity for social control may therefore leave fear largely intact.

2.2 Empirical Evidence

Substantial evidence documents how violence and criminal governance reshape behavior, trust, and economic expectations. Much less is known about what happens to fear of crime once the state reclaims territory that criminal organizations had governed.

Fear of crime keeps children indoors. In Ireland, neighborhood conditions associated with disorder, such as public alcohol or drug use, are strongly linked to lower levels of active outdoor play among five-year-olds (Egan and Pope, 2024). The restriction runs through caregivers, not through the children themselves. Belgian children's own perceptions of safety bear little relation to their independent mobility, while their parents' perceptions, including concerns about strangers, are strongly associated with limits on where they may go (Huertas-Delgado et al., 2018).

Women adapt their travel for the same reason. Among female commuters, a structural equation model shows that witnessed and experienced harassment both raise fear of crime, which then changes travel choices; fear fully mediates the relationship between harassment and mobility (Alfaro et al., 2025).

Criminal organizations influence behavior through direct exposure to violence and through the territorial control they exercise over daily life. Melnikov et al. (2025) provide the closest evidence for the setting we study. Comparing households on either side of gang borders in San Salvador, they find that residents of gang-controlled neighborhoods earn less, work in smaller firms, and are far more likely to say the gangs' invisible borders kept them from taking jobs elsewhere in the city. The constraint operates through territorial control rather than exposure to violence: extortion and homicide do not change at the border, but the ability to move freely and to work outside the neighborhood does. The gangs restricted mobility while leaving crime rates roughly continuous across the boundary, so the estimated gaps capture the cost of territorial control specifically, rather than the broader effects of gang presence. In Mexico, a related margin appears in the timing of everyday activity, as higher homicide rates during the Drug War raised the likelihood of avoiding going out at night (Balmori de la Miyar, 2019).

Crime also shapes where firms choose to operate (Rosenthal and Ross, 2010). Using fifteen years of establishment-level data from Southern California, Hipp et al. (2019) find that higher violent and property crime around a business raise the odds

it fails or relocates the following year, and that firms avoid moving into high-crime areas to begin with. Retail and service firms respond most to property crime, while professional, financial, and health firms respond most to violent crime, consistent with the view that violence weighs heaviest on the perceptions of employees and clients. [Biswas and Jain \(2025\)](#) document a parallel pattern for firm entry in India, where districts with more crime register fewer new firms over the following decade. They trace part of the effect to fear of victimization itself, as firms that report crime as an obstacle show slower employee growth, shorter operating hours, and fewer female workers. Crime erodes the local economic base mainly through the avoidance decisions of owners, workers, and customers.

Taken together, this literature shows that fear of crime can constrain everyday activities even in the absence of direct victimization, and that criminal territorial control can impose an additional mobility constraint beyond exposure to violence itself. Yet what happens to these constraints when criminal governance is dismantled remains unclear. Reclaiming territory may reduce fear by removing the visible cues and coercive control associated with gang rule, but an intensive enforcement campaign may also signal continued danger, while the conditions that sustained fear may persist. Whether weakening criminal governance restores everyday mobility remains an empirical question.

3 El Salvador's Crackdown Context

El Salvador's gang problem is a product of its history. The peace accords that ended the civil war in 1992 left behind weak institutions, a flooded labor market, and a generation of young men with few prospects. Two rivals filled that vacuum, Mara Salvatrucha (MS-13) and Barrio 18, both of which had taken shape in the immigrant neighborhoods of Los Angeles, not in San Salvador. When the United States began deporting their members in large numbers during the 1990s, the gangs expanded at home and grew into the dominant criminal force in the country ([Wolf, 2012](#); [Kalsi,](#)

2018).

What followed was a system of parallel governance. In the territories they controlled, the gangs taxed shopkeepers, policed who could enter and leave, and recruited from local schools (Ruiz, 2025). Homicide statistics through the late 2010s told an ambiguous story. The official rate had come down from its catastrophic mid-decade peak, partly the result of negotiated truces between the state and gang leadership. Yet the underlying machinery of control stayed intact. Extortion, disappearances, and coerced enlistment continued, concentrated in poor urban municipalities where the state had never fully established itself (Melnikov et al., 2020).

That arrangement broke apart over a single weekend. On 26 March 2022, the country recorded 62 killings in one day, the worst single-day toll since the war, which the government blamed on MS-13 (Aleman, 2022). The legislative response was immediate. Within twenty-four hours, deputies passed Decree No. 333, which invoked the constitutional State of Exception and handed the security forces sweeping powers to arrest without warrants in gang strongholds (Maldonado, 2020).

The decree froze a set of civil liberties, among them the rights to assembly and association, and loosened legal limits on monitoring private communication. The penal code was rewritten so that gang membership now carried up to forty years instead of twenty. Officers could jail suspects on suspicion alone, which set in motion a campaign of detention on a scale the region had not seen in decades (Alianza Américas, 2022).

The arrest numbers show the size of the break. Quarterly arrests had run near ten thousand before the emergency measure. In the three months from April to June 2022, the state detained upward of forty-six thousand people, more than quadrupling that pace (Fair and Walmsley, 2024). The prison system absorbed the inflow, and the inmate count swelled from about forty thousand to well over one hundred thousand inside a year (Urbina and Espinoza, 2023). By 2025 the policy had become a regional reference point, admired and debated across Latin America even as its replicability

remained doubtful (Suárez, 2025).

Killings had moved within a steady range until the early months of 2022. Once the *crackdown policy* took effect that March, the incarceration series jumped while homicides dropped to record lows (Figure I). We read that coincidence as our descriptive first stage. The decline in homicides is the channel through which we expect reported mobility and business activity to have changed.

4 Methodology

4.1 Empirical Strategy

Our empirical strategy combines a difference-in-differences estimator with an event study design. The DiD model delivers a summary estimate of the policy's average effect, while the event study traces quarter-by-quarter dynamics and tests for pre-existing trends.

4.1.1 Difference-in-Differences

El Salvador's crackdown applied nationwide and spared no department or municipality, which means cross-sectional variation between treated and untreated units is unavailable. We address this by constructing the counterfactual from earlier, unaffected time periods. This approach is common in studies of aggregate shocks: researchers evaluating the effects of COVID-19 faced the same identification problem and resolved it the same way, comparing outcomes around the shock against analogous changes from pre-shock windows (Brodeur et al., 2021; Leslie and Wilson, 2020). Under the parallel trends assumption, and with department and quarter fixed effects absorbing permanent regional differences and seasonal patterns, the design is intended to separate the policy's association with the outcomes from underlying trends.

We define two symmetric time windows. The treatment window spans 2021 Q1 to 2023 Q4 and contains the policy onset. Within it, the pre-policy phase runs from 2021 Q1 to 2022 Q1, and the post-policy phase runs from 2022 Q2 to 2023 Q4. The control window spans 2017 Q1 to 2019 Q4, a period unaffected by the crackdown. Its pre-phase covers 2017 Q1 to 2018 Q1 and its post-phase covers 2018 Q2 to 2019 Q4. The DiD estimate is:

$$\hat{\beta}^{DD} = (\bar{y}_{2022Q2-2023Q4}^{\text{post}} - \bar{y}_{2021Q1-2022Q1}^{\text{pre}}) - (\bar{y}_{2018Q2-2019Q4}^{\text{post}} - \bar{y}_{2017Q1-2018Q1}^{\text{pre}}) \quad (1)$$

We estimate this using the following regression:

$$Y_{idqp} = \alpha + \beta \text{Policy}_{dqp} + a_d + \gamma_q + \nu_p + e_{idqp} \quad (2)$$

where Y_{idqp} is the outcome of interest for individual i in department d , quarter q , and period p . Policy_{dqp} is a dummy variable equal to one from 2022 Q2 to 2023 Q4 and zero otherwise; β is the coefficient of interest. The specification includes department fixed effects a_d , which absorb permanent differences across regions; quarter fixed effects γ_q , which control for seasonal variation in the outcomes; and period fixed effects ν_p , which absorb level differences between the two time windows. Quarters are reindexed from 1 to 12 within each window, so that quarter q in the treatment period maps directly to quarter q in the control period. The coefficient β is therefore identified from the differential change in outcomes following the crackdown relative to the analogous change observed in the same quarters of the control period. Standard errors are clustered at the department level.

4.1.2 Event Study

We complement the DiD estimate with an event study that traces the quarterly evolution of effects before and after the policy. The pre-policy coefficients also provide

a direct test of the parallel trends assumption.

The event study model is:

$$Y_{idqp} = \alpha + \sum_{\substack{q=-5 \\ q \neq -1}}^6 \beta_q \text{Policy}_{dqp} + a_d + \gamma_q + \nu_p + e_{dqp} \quad (3)$$

where Policy_{dqp} is a binary indicator for each quarter q relative to the policy onset in 2022 Q2, spanning from $q = -5$ (2021 Q1) to $q = 6$ (2023 Q4). We exclude $q = -1$ to avoid perfect multicollinearity (Wolfers, 2006). Department, quarter, and period fixed effects are included throughout, and standard errors are again clustered at the department level. The coefficients β_q for $q \geq 0$ describe how outcomes evolved after the crackdown took effect. The coefficients for $q \in \{-5, -4, -3, -2\}$ test for pre-trends; if they are jointly indistinguishable from zero, the parallel trends assumption holds.

4.2 Data

We use data from El Salvador's Multipurpose Household Survey (MPHS), collected continuously on a monthly basis throughout the year. The survey collects information on a broad range of self-reported outcomes, including perceptions of safety. We use data spanning 2017 to 2023, excluding 2020 because of the COVID-19 pandemic. The 2020 survey did not collect data during April through June and does not report respondents' department of residence.

We construct five binary outcome variables based on survey questions asking whether, given security conditions in the neighborhood, household members are able to carry out specific everyday activities. These include whether children can play outside (*Kids Play Out*), whether women can move freely in public (*Women Transit*), whether members feel safe leaving home alone (*Leave Home Alone*), whether members go out at night (*Go Out (Night)*), and whether any household member can operate a business (*Operate a Business*). Each outcome is coded as one if respondents report that

the activity can be carried out and zero otherwise.

The four sample means that underlie our difference-in-differences design appear in Table 1. For each outcome, we report the average value during the pre- and post-policy phases of the treatment window (2021–2023) and the corresponding pre- and post-periods in the comparison window (2017–2019). The last column in each panel reports the within-window change (post minus pre), which is the first difference in the DiD estimator.

The same pattern holds for all five outcomes. During the comparison window, the post-minus-pre differences range from 2.7 to 3.7 percentage points, compared with 9.2 to 12.4 percentage points in the treatment window. The larger pre-post increases in the treatment group are consistent with positive treatment effects across all five outcomes, anticipating the regression results reported in Section 5.

5 Results

5.1 Main Results

Every outcome shows a positive and statistically significant effect (Table 2). The reported ability to allow children to play outside rises by 7.5 percentage points (Column 1), a 9.5 percent increase relative to the pre-policy mean of 0.789. The reported ability for women to move freely in public increased by 6.4 percentage points (Column 2), or 7.6 percent relative to the baseline mean of 0.842. Respondents are 6.7 percentage points more likely to report feeling safe leaving home alone (Column 3), or 8.4 percent relative to the baseline mean of 0.794.

The largest estimate falls on nighttime movement: the reported ability to go out after dark increased by 9.9 percentage points, a 13.0 percent increase over the pre-policy mean of 0.763 (Column 4). The reported ability to operate a business rose by 8.3 percentage points, a 10.6 percent gain relative to the pre-policy mean of 0.783

(Column 5).

The nighttime result stands out. Going out after dark is precisely the behavior that gangs regulated most aggressively through curfews, territorial controls, and the threat of violence. A nearly 13 percent increase in the reported ability to go out after dark therefore captures something the other outcomes do not: households report using public space at the hours when gang presence had historically been most intense. The fact that this is also the largest estimate is consistent with the idea that the most restrictive constraints were the first to relax.

The business result points to a broader economic effect. The change appears to extend beyond households' willingness to move through public space to their ability to operate a business. Extortion was a major barrier to operating a business in El Salvador, where gangs routinely demanded payments from small shops and those who refused faced credible threats of violence.

The event-study estimates show two clear patterns across all five outcomes (Figure II). First, the pre-policy coefficients (quarters -5 to -2) hover near zero and are statistically indistinguishable from zero, supporting the parallel trends assumption. Prior to the crackdown, the treatment and control periods followed similar trajectories for all five outcomes. Second, following the policy onset, the coefficients turn positive and grow steadily over time. For most outcomes, the effect becomes statistically significant by quarter 1 or 2 and continues to strengthen through quarter 6. By the end of the sample window, point estimates for nighttime mobility and the reported ability to operate a business approach or exceed 0.15.

The gains accumulate gradually. We read the pattern as learning: households responded immediately but partially, then kept adjusting as they verified that the security gains would hold.

5.2 Robustness Checks

We next assess whether the main results are sensitive to three potential concerns (Table 3). The first concerns multiple hypothesis testing, the second inference with a small number of clusters, and the third the influence of San Salvador Department.

Panel A reports sharpened q-values to account for multiple hypothesis testing across the five outcomes. Unlike conventional p-values, sharpened q-values control the false discovery rate while preserving statistical power. All five estimates remain statistically significant after adjustment, with q-values ranging from 0.009 to 0.024. Multiple testing does not account for the results.

Panel B addresses inference with a small number of clusters. El Salvador comprises only 14 departments, a number that falls below the threshold of 30 clusters typically recommended for asymptotic cluster-robust standard errors to provide valid inference (Cameron et al., 2008). We implement wild cluster bootstrap procedures, which perform well in settings with few clusters. All five wild bootstrap confidence intervals exclude zero: [0.035, 0.124] for children playing outside, [0.026, 0.112] for women's transit, [0.024, 0.113] for leaving home alone, [0.052, 0.154] for going out at night, and [0.036, 0.131] for operating a business. Inference therefore does not appear to be driven by the small number of departmental units.

Panel C examines whether the results are driven disproportionately by San Salvador Department, the country's most populous and economically active region. Excluding San Salvador reduces the coefficients moderately but leaves all five statistically significant. The estimated associations are therefore not confined to the capital.

5.3 Heterogeneous Effects

We next examine whether the estimated associations vary by respondent sex and household poverty status (Tables 4 and 5).

Across all five outcomes, the estimated coefficients are positive and statistically significant for both male and female respondents. Point estimates are generally larger for men, though the differences are modest for most outcomes. For allowing children to play outside, the increase reaches 8.8 percentage points among male respondents against 7.1 among female respondents; for the reported ability for women to move freely in public, 10.1 against 4.8; for feeling safe leaving home alone, 8.3 against 5.9; for going out at night, 10.1 against 7.4; and for operating a business, 5.3 against 3.6. The largest gap appears for the reported ability for women to move freely in public.

Poverty status produces a sharper split. For the four everyday-mobility outcomes, the estimated effects are consistently larger among non-poor households. The reported ability to allow children to play outside increases by 8.9 percentage points among non-poor households against 4.5 percentage points among poor ones. Similar gaps appear for the reported ability for women to move freely in public (7.3 versus 3.6 percentage points), feeling safe leaving home alone (7.7 versus 4.2 percentage points), and going out at night (8.7 versus 7.1 percentage points). Both groups nonetheless show positive and statistically significant estimates.

A different pattern emerges for the reported ability to operate a business. The estimated effect is slightly larger among poor households (4.8 percentage points) than among non-poor households (4.2 percentage points), and the difference is modest relative to the estimated standard errors. Unlike the mobility outcomes, the improvement in the reported ability to operate a business is broadly similar across poverty groups.

The evenness suggests barriers to operating a business that were never confined to one segment of the income distribution. If extortion and territorial control weighed on both poor and non-poor households, then relaxing those constraints would expand the perceived opportunity to operate a business across the income distribution.

6 Discussion

Using the Salvadoran Multipurpose Household Survey for 2017 through 2023, we compare changes around the March 2022 policy with changes over the same calendar months in an earlier comparison period. All five outcomes move in the same direction, in a statistically significant and economically meaningful way. Nighttime movement shows the largest change, at 9.9 percentage points, followed by operating a business at 8.3 points, allowing children to play outside at 7.5 points, feeling safe leaving home alone at 6.7 points, and women moving freely in public at 6.4 points. The event study finds no differential pre-trends, and the changes emerge after the policy and hold to the end of the sample.

Our findings are consistent with a broader literature showing that fear of crime constrains everyday activities. Caregivers keep children indoors when a neighborhood feels unsafe (Egan and Pope, 2024; Huertas-Delgado et al., 2018), women avoid public transit and isolated public spaces (Loukaitou-Sideris, 2014; Alfaro et al., 2025), and nighttime activity falls as violence intensifies (Balmori de la Miyar, 2019). Our results extend this evidence to the removal of criminal territorial control. In San Salvador, Melnikov et al. (2025) show that gang borders restricted where residents could move and work. We find that when gang territorial control is weakened, households report greater freedom to move through public space, including at night, and greater ability to operate a business.

The business result is consistent with evidence that crime affects firms' decisions to operate and locate. Hipp et al. (2019) find that violent and property crime raise the likelihood that establishments close or relocate and deter entry into high-crime areas, while Biswas and Jain (2025) report lower firm entry in Indian districts with more crime, which they attribute in part to fear of victimization. In El Salvador, extortion provided a direct way for gangs to restrict business activity: gangs routinely demanded payments from businesses and threatened those who refused. The 8.3

percentage point rise in the reported ability to operate a business is consistent with the removal of such constraints. Together with the mobility results, the finding suggests that the effects of weakened gang territorial control extend beyond movement in public space to economic activity.

Two limitations deserve mention. First, the survey measures what households report being able to do, but it does not identify why these perceptions changed. The results are therefore consistent with several mechanisms, including reduced perceptions of disorder, greater confidence in public safety, or improved perceptions of state control, but the data do not allow us to distinguish among them. Identifying these mechanisms would require more detailed measures of how households perceive their local security environment. Second, the external validity of the findings is uncertain. El Salvador's crackdown involved an unusually large number of arrests and was implemented under institutional conditions that differ from those in many other countries. The estimated effects may therefore not generalize to milder crackdowns or to policies implemented under different institutional conditions.

These findings also broaden how the effects of criminal governance can be understood. Security policies are typically evaluated through changes in crime, incarceration, or other enforcement outcomes, but criminal control also shapes the ordinary use of public space and the ability to conduct economic activity. Our results suggest that weakening that control can relax constraints that are visible in household behavior but not captured by conventional measures of crime. This does not imply that any particular method of dismantling criminal governance is justified, nor that the Salvadoran experience provides a model for other settings. The broader lesson is that reducing the hold of criminal organizations is itself an important part of improving everyday security, but doing so requires the state to reclaim that role through effective institutions and within the rule of law.

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7 Tables and Figures

Table 1: Descriptive Statistics

	Period: 2017-2019			Period: 2021-2023		
	Before	After	Difference	Before	After	Difference
Kids Play Out (Yes=1)	0.707	0.734	0.027***	0.789	0.886	0.097***
Women Transit (Yes=1)	0.774	0.806	0.032***	0.842	0.934	0.092***
Leave Home Alone (Yes=1)	0.711	0.748	0.037***	0.794	0.894	0.100***
Go Out (Night) (Yes=1)	0.664	0.694	0.030***	0.763	0.887	0.124***
Operate a Business (Yes=1)	0.673	0.704	0.031***	0.783	0.891	0.108***

SOURCE: El Salvador's Multipurpose Household Survey.

NOTES: Significance levels: * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 2: Difference-in-differences: Main Results

	Kids Play Out (Yes=1)	Women Transit (Yes=1)	Leave Home Alone (Yes=1)	Go Out (Night) (Yes=1)	Operate a Business (Yes=1)
	(1)	(2)	(3)	(4)	(5)
Incarceration Policy	0.075*** (0.022)	0.064*** (0.021)	0.067*** (0.022)	0.099*** (0.025)	0.083*** (0.023)
Baseline FE	X	X			
R ²	0.05	0.04	0.04	0.06	0.06
Observations	66549	105473	114409	114409	114409
Mean (Period:2021-2022, Before Policy)	0.789	0.842	0.794	0.763	0.783
Percentage Change	9.50%	7.60%	8.43%	12.97%	10.60%

SOURCE: El Salvador's Multipurpose Household Survey.

NOTES: Baseline fixed effects are included at the department, quarter, and period. Robust standard errors are clustered at the department level. Significance levels: * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 3: Robustness Checks

Panel A: Multiple Hypothesis Testing					
	Kids Play Out (Yes=1)	Women Transit (Yes=1)	Leave Home Alone (Yes=1)	Go Out (Night) (Yes=1)	Operate a Business (Yes=1)
	(1)	(2)	(3)	(4)	(5)
Incarceration Policy	0.075*** (0.004) [0.014]	0.064*** (0.009) [0.024]	0.067*** (0.008) [0.024]	0.099*** (0.002) [0.009]	0.083*** (0.003) [0.012]
Baseline FE	X	X	X	X	X
R ²	0.05	0.04	0.04	0.06	0.06
Observations	66549	105473	114409	114409	114409
Panel B: Wild Cluster					
	Kids Play Out (Yes=1)	Women Transit (Yes=1)	Leave Home Alone (Yes=1)	Go Out (Night) (Yes=1)	Operate a Business (Yes=1)
	(1)	(2)	(3)	(4)	(5)
Incarceration Policy	[0.035, 0.124]	[0.026, 0.112]	[0.024, 0.113]	[0.052, 0.154]	[0.036, 0.131]
Baseline FE	X	X	X	X	X
R ²	0.05	0.04	0.04	0.06	0.06
Observations	66549	105473	114409	114409	114409
Panel C: Without San Salvador Dep.					
	Kids Play Out (Yes=1)	Women Transit (Yes=1)	Leave Home Alone (Yes=1)	Go Out (Night) (Yes=1)	Operate a Business (Yes=1)
	(1)	(2)	(3)	(4)	(5)
Incarceration Policy	0.054*** (0.011)	0.043*** (0.011)	0.047*** (0.014)	0.075*** (0.014)	0.063*** (0.016)
Baseline FE	X	X	X	X	X
R ²	0.04	0.04	0.04	0.05	0.05
Observations	56534	88481	96024	96024	96024

SOURCE: El Salvador's Multipurpose Household Survey.

NOTES: Baseline fixed effects are included at the department, quarter, and period. Robust standard errors are clustered at the department level. Significance levels: * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 4: Heterogeneous Effects I

Panel A: Kids Play Out (Yes=1)				
	Female	Male	Poor	Not Poor
	(1)	(2)	(3)	(4)
Incarceration Policy	0.071** (0.024)	0.088*** (0.024)	0.045* (0.021)	0.089*** (0.022)
Baseline FE	X	X	X	X
R^2	0.05	0.06	0.05	0.05
Observations	46669	19880	23010	43539
Mean	0.789	0.787	0.820	0.773
Percentage Change	8.99%	11.18%	5.48%	11.51%

Panel B: Women Transit (Yes=1)				
	Female	Male	Poor	Not Poor
	(1)	(2)	(3)	(4)
Incarceration Policy	0.048** (0.021)	0.101*** (0.025)	0.036* (0.018)	0.073*** (0.022)
Baseline FE	X	X	X	X
R^2	0.04	0.05	0.04	0.04
Observations	74160	31313	30185	75288
Mean	0.849	0.825	0.867	0.834
Percentage Change	5.65%	12.24%	4.15%	8.75%

Panel C: Leave Home Alone (Yes=1)				
	Female	Male	Poor	Not Poor
	(1)	(2)	(3)	(4)
Incarceration Policy	0.059** (0.020)	0.083*** (0.027)	0.042* (0.021)	0.077*** (0.022)
Baseline FE	X	X	X	X
R^2	0.04	0.04	0.04	0.04
Observations	74160	40249	31462	82947
Mean	0.797	0.785	0.808	0.788
Percentage Change	7.40%	10.57%	5.19%	9.77%

SOURCE: El Salvador's Multipurpose Household Survey.

NOTES: Baseline fixed effects are included at the department, quarter, and period. Robust standard errors are clustered at the department level. Significance levels: * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 5: Heterogeneous Effects II

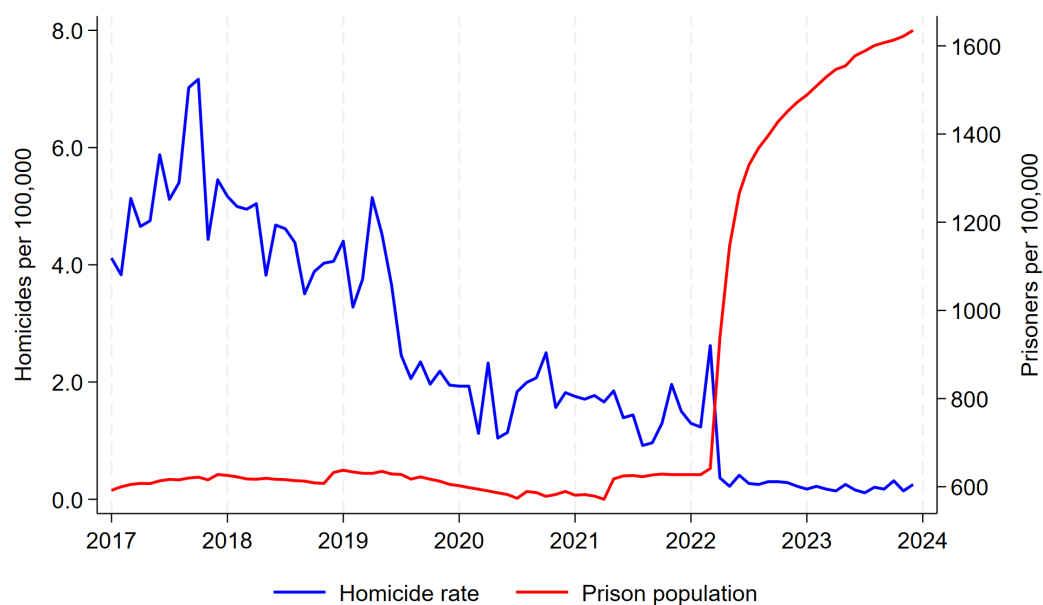
Panel A: Go Out Night (Yes=1)				
	Female	Male	Poor	Not Poor
	(1)	(2)	(3)	(4)
Incarceration Policy	0.074*** (0.021)	0.101*** (0.029)	0.071** (0.026)	0.087*** (0.022)
Baseline FE	X	X	X	X
R^2	0.06	0.06	0.06	0.06
Observations	74160	40249	31462	82947
Mean	0.762	0.763	0.787	0.754
Percentage Change	9.71%	13.23%	9.02%	11.53%

Panel B: Operate a Business (Yes=1)				
	Female	Male	Poor	Not Poor
	(1)	(2)	(3)	(4)
Incarceration Policy	0.036*** (0.012)	0.053*** (0.006)	0.048*** (0.011)	0.042*** (0.009)
Baseline FE	X	X	X	X
R^2	0.01	0.01	0.01	0.01
Observations	76381	76587	54844	98124
Mean	0.789	0.772	0.802	0.777
Percentage Change	4.56%	6.86%	5.98%	5.40%

SOURCE: El Salvador's Multipurpose Household Survey.

NOTES: Baseline fixed effects are included at the department, quarter, and period. Robust standard errors are clustered at the department level. Significance levels: * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

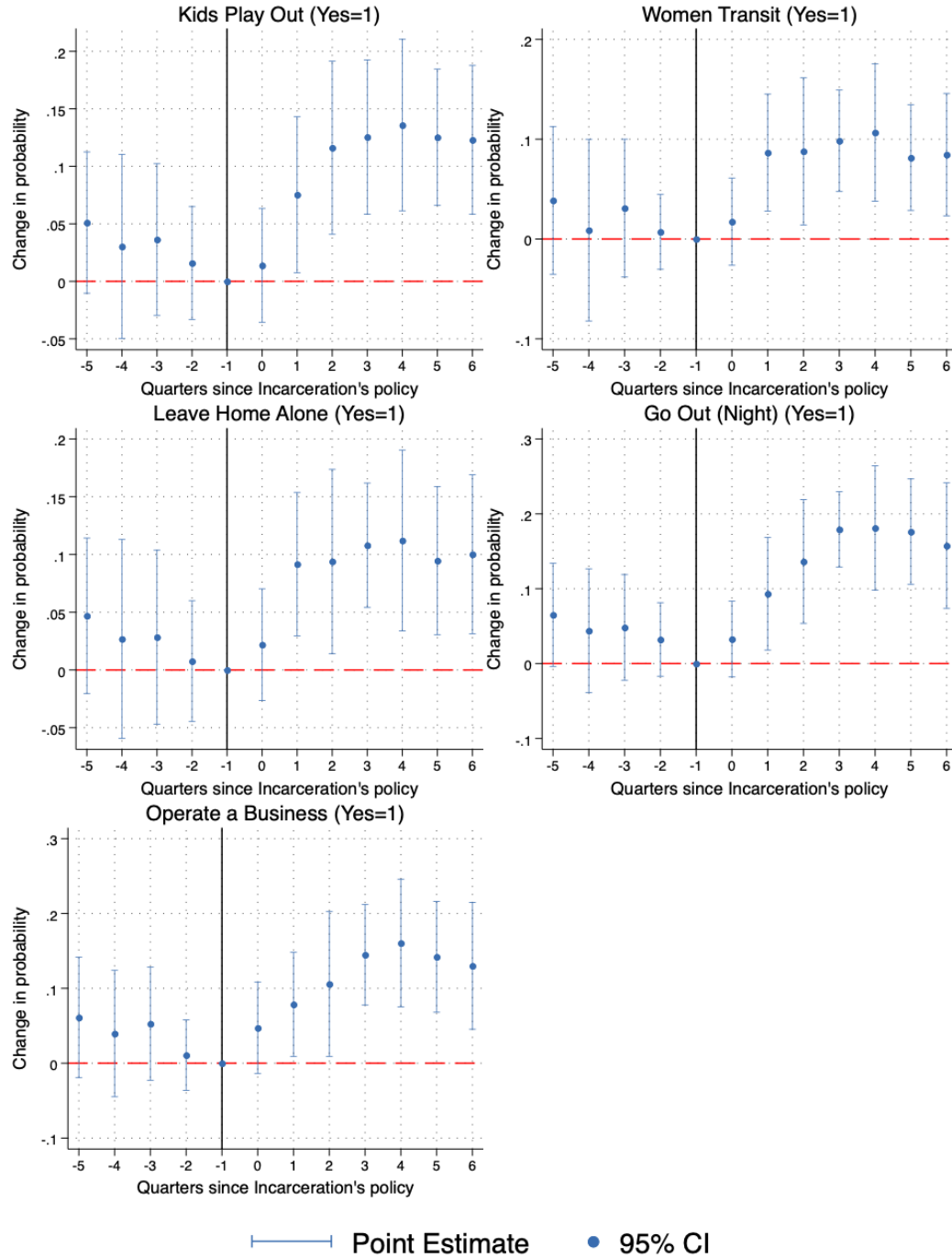
Figure I: Monthly Homicide and Prison Population Rates: 2019-2022



SOURCE: National Civil Police and National Office of Statistics and Censuses (ONEC).

NOTES: The figure plots two monthly national series from January 2017 through December 2023. The blue line is the homicide rate; the red line is the prison population rate. Both are measured per 100,000 persons. The vertical line marks March 2022, when the State of Exception took effect. After that date the incarceration series rises sharply while the homicide series falls to record lows.

Figure II: Event Study: Main Results



SOURCE: El Salvador's Multipurpose Household Survey.

NOTES: Each point is an event-study coefficient β_q from Equation 3: the change in the probability of the outcome in quarter q relative to the quarter immediately before the crackdown ($q = -1$, the omitted reference quarter, which is fixed at zero by construction). The vertical bar through each point is its 95 percent confidence interval; a bar that crosses zero indicates a coefficient not statistically distinguishable from zero. The horizontal axis counts quarters before and after the March 2022 State of Exception, and the horizontal line at zero marks no change relative to the reference quarter. Points to the left of $q = 0$ test for pre-trends; points at $q \geq 0$ trace the post-crackdown path. Robust standard errors are clustered at the department level.