

This PDF is a selection from a published volume from the National Bureau of Economic Research

Volume Title: The Economics of Crime: Lessons for and from Latin America

Volume Author/Editor: Rafael Di Tella, Sebastian Edwards, and Ernesto Schargrotsky, editors

Volume Publisher: University of Chicago Press

Volume ISBN: 0-226-15374-6 (cloth); 0-226-79185-8 (paper)
ISBN13: 978-0-226-15374-2 (cloth); 978-0-226-79185-2 (paper)

Volume URL: <http://www.nber.org/books/dite09-1>

Conference Date: November 29-30, 2007

Publication Date: July 2010

Chapter Title: Front matter, table of contents, acknowledgments

Chapter Authors: Rafael Di Tella, Sebastian Edwards, Ernesto Schargrotsky

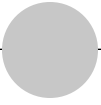
Chapter URL: <http://www.nber.org/chapters/c12885>

Chapter pages in book: (i - xi)

The Economics of Crime



**A National Bureau
of Economic Research
Conference Report**



The Economics of Crime Lessons For and From Latin America

Edited by

**Rafael Di Tella, Sebastian Edwards,
and Ernesto Schargrotsky**

The University of Chicago Press

Chicago and London

RAFAEL DI TELLA is the Joseph C. Wilson Professor of Business Administration at Harvard Business School, a research associate of the National Bureau of Economic Research, and a member of the Canadian Institute for Advanced Research. SEBASTIAN EDWARDS is the Henry Ford II Professor of International Economics at the Anderson Graduate School of Management, University of California, Los Angeles, and a research associate of the National Bureau of Economic Research. ERNESTO SCHARGRODSKY is a professor and dean of the business school at Universidad Torcuato Di Tella.

The University of Chicago Press, Chicago 60637
The University of Chicago Press, Ltd., London
© 2010 by the National Bureau of Economic Research
All rights reserved. Published 2010
Printed in the United States of America

19 18 17 16 15 14 13 12 11 10 1 2 3 4 5
ISBN-13: 978-0-226-15374-2 (cloth)
ISBN-10: 0-226-15374-6 (cloth)

Library of Congress Cataloging-in-Publication Data

The economics of crime : lessons for and from Latin America / edited by Rafael Di Tella, Sebastian Edwards, and Ernesto Schargrodsky.
p. cm. — (National Bureau of Economic Research conference report)
Papers presented at the conference “Crime, Institutions, and Policies,” organized by the Inter-American Seminar on Economics of the National Bureau of Economic Research and Laboratorio de Investigaciones sobre Crimen, Instituciones y Políticas of Universidad Torcuato Di Tella, held in Buenos Aires, Argentina, Nov. 29–30, 2007.
Includes bibliographical references and index.
ISBN-13: 978-0-226-15374-2 (hardcover : alk. paper)
ISBN-10: 0-226-15374-6 (hardcover : alk. paper)
ISBN-13: 978-0-226-79185-2 (pbk. : alk. paper)
ISBN-10: 0-226-79185-8 (pbk. : alk. paper) 1. Crime—Economic aspects—Latin America—Congresses. 2. Crime prevention—Economic aspects—Latin America—Congresses. I. Di Tella, Rafael. II. Edwards, Sebastian, 1953– III. Schargrodsky, Ernesto. IV. National Bureau of Economic Research. V. Universidad Torcuato di Tella. Laboratorio de Investigaciones sobre Crimen, Instituciones y Políticas. VI. Series: National Bureau of Economic Research conference report.
HV6810.5.E26 2009
364.98—dc22

2009052687

© The paper used in this publication meets the minimum requirements of the American National Standard for Information Sciences—Permanence of Paper for Printed Library Materials, ANSI Z39.48-1992.

National Bureau of Economic Research

Officers

John S. Clarkeson, *chairman*

Kathleen B. Cooper, *vice-chairman*

James M. Poterba, *president and chief executive officer*

Robert Mednick, *treasurer*

Kelly Horak, *controller and assistant corporate secretary*

Alterra Milone, *corporate secretary*

Gerardine Johnson, *assistant corporate secretary*

Directors at Large

Peter C. Aldrich

Elizabeth E. Bailey

Richard B. Berner

John H. Biggs

John S. Clarkeson

Don R. Conlan

Kathleen B. Cooper

Charles H. Dallara

George C. Eads

Jessica P. Einhorn

Mohamed El-Erian

Jacob A. Frenkel

Judith M. Gueron

Robert S. Hamada

Karen N. Horn

John Lipsky

Laurence H. Meyer

Michael H. Moskow

Alicia H. Munnell

Rudolph A. Oswald

Robert T. Parry

James M. Poterba

John S. Reed

Marina v. N. Whitman

Martin B. Zimmerman

Directors by University Appointment

George Akerlof, *California, Berkeley*

Jagdish Bhagwati, *Columbia*

Glen G. Cain, *Wisconsin*

Ray C. Fair, *Yale*

Franklin Fisher, *Massachusetts Institute of Technology*

Mark Grinblatt, *California, Los Angeles*

Saul H. Hymans, *Michigan*

Marjorie B. McElroy, *Duke*

Joel Mokyr, *Northwestern*

Andrew Postlewaite, *Pennsylvania*

Uwe E. Reinhardt, *Princeton*

Nathan Rosenberg, *Stanford*

Craig Swan, *Minnesota*

David B. Yoffie, *Harvard*

Arnold Zellner (Director Emeritus),
Chicago

Directors by Appointment of Other Organizations

Jean-Paul Chavas, *Agricultural and Applied Economics Association*

Martin Gruber, *American Finance Association*

Timothy W. Guinnane, *Economic History Association*

Arthur B. Kennickell, *American Statistical Association*

Thea Lee, *American Federation of Labor and Congress of Industrial Organizations*

William W. Lewis, *Committee for Economic Development*

Robert Mednick, *American Institute of Certified Public Accountants*

Angelo Melino, *Canadian Economics Association*

Harvey Rosenblum, *National Association for Business Economics*

John J. Siegfried, *American Economic Association*

Directors Emeriti

Andrew Brimmer

Carl F. Christ

George Hatsopoulos

Lawrence R. Klein

Franklin A. Lindsay

Paul W. McCracken

Peter G. Peterson

Eli Shapiro

Arnold Zellner

Relation of the Directors to the Work and Publications of the National Bureau of Economic Research

1. The object of the NBER is to ascertain and present to the economics profession, and to the public more generally, important economic facts and their interpretation in a scientific manner without policy recommendations. The Board of Directors is charged with the responsibility of ensuring that the work of the NBER is carried on in strict conformity with this object.

2. The President shall establish an internal review process to ensure that book manuscripts proposed for publication DO NOT contain policy recommendations. This shall apply both to the proceedings of conferences and to manuscripts by a single author or by one or more co-authors but shall not apply to authors of comments at NBER conferences who are not NBER affiliates.

3. No book manuscript reporting research shall be published by the NBER until the President has sent to each member of the Board a notice that a manuscript is recommended for publication and that in the President's opinion it is suitable for publication in accordance with the above principles of the NBER. Such notification will include a table of contents and an abstract or summary of the manuscript's content, a list of contributors if applicable, and a response form for use by Directors who desire a copy of the manuscript for review. Each manuscript shall contain a summary drawing attention to the nature and treatment of the problem studied and the main conclusions reached.

4. No volume shall be published until forty-five days have elapsed from the above notification of intention to publish it. During this period a copy shall be sent to any Director requesting it, and if any Director objects to publication on the grounds that the manuscript contains policy recommendations, the objection will be presented to the author(s) or editor(s). In case of dispute, all members of the Board shall be notified, and the President shall appoint an ad hoc committee of the Board to decide the matter; thirty days additional shall be granted for this purpose.

5. The President shall present annually to the Board a report describing the internal manuscript review process, any objections made by Directors before publication or by anyone after publication, any disputes about such matters, and how they were handled.

6. Publications of the NBER issued for informational purposes concerning the work of the Bureau, or issued to inform the public of the activities at the Bureau, including but not limited to the NBER Digest and Reporter, shall be consistent with the object stated in paragraph 1. They shall contain a specific disclaimer noting that they have not passed through the review procedures required in this resolution. The Executive Committee of the Board is charged with the review of all such publications from time to time.

7. NBER working papers and manuscripts distributed on the Bureau's web site are not deemed to be publications for the purpose of this resolution, but they shall be consistent with the object stated in paragraph 1. Working papers shall contain a specific disclaimer noting that they have not passed through the review procedures required in this resolution. The NBER's web site shall contain a similar disclaimer. The President shall establish an internal review process to ensure that the working papers and the web site do not contain policy recommendations, and shall report annually to the Board on this process and any concerns raised in connection with it.

8. Unless otherwise determined by the Board or exempted by the terms of paragraphs 6 and 7, a copy of this resolution shall be printed in each NBER publication as described in paragraph 2 above.

Contents

Acknowledgments	xi
Introduction	1
Rafael Di Tella, Sebastian Edwards, and Ernesto Schargrotsky	
I. OVERVIEW: LATIN AMERICAN EXCEPTIONALISM?	
1. Understanding High Crime Rates in Latin America: The Role of Social and Policy Factors	19
Rodrigo R. Soares and Joana Naritomi <i>Comment: Alejandro Gaviria</i>	
II. THE ECONOMICS OF CRIME MEETS LATIN AMERICA	
2. Capital Crimes: Kidnappings and Corporate Investment in Colombia	63
Rony Pshisva and Gustavo A. Suarez <i>Comment: Juan Pantano</i>	
3. The Cost of Avoiding Crime: The Case of Bogotá	101
Alejandro Gaviria, Carlos Medina, Leonardo Morales, and Jairo Núñez <i>Comment: Alfredo Canavese</i>	

- 4. Do Conflicts Create Poverty Traps? Asset Losses and Recovery for Displaced Households in Colombia** 137
Ana María Ibáñez and Andrés Moya
Comment: Martín González-Rozada
- 5. Crime Distribution and Victim Behavior during a Crime Wave** 175
Rafael Di Tella, Sebastian Galiani, and Ernesto Schargrotsky
Comment: Lucas Ronconi
- 6. Assessing São Paulo’s Large Drop in Homicides: The Role of Demography and Policy Interventions** 207
João M. P. de Mello and Alexandre Schneider
Comment: Lucas Llach
- 7. The Quality of Life in Prisons: Do Educational Programs Reduce In-Prison Conflicts?** 239
María Laura Alzúa, Catherine Rodriguez, and Edgar Villa
Comment: Andrés Borenstein

III. INTERNATIONAL EVIDENCE

- 8. What Do Economists Know about Crime?** 269
Angela K. Dills, Jeffrey A. Miron, and Garrett Summers
Comment: Philip J. Cook
- 9. Peaceable Kingdoms and War Zones: Preemption, Ballistics, and Murder in Newark** 305
Brendan O’Flaherty and Rajiv Sethi
Comment: Guillermo Cruces
- 10. Crime Displacement and Police Interventions: Evidence from London’s “Operation Theseus”** 359
Mirko Draca, Stephen Machin, and Robert Witt
Comment: Catherine Rodriguez
- 11. The Impact of Incentives on Human Behavior: Can We Make It Disappear? The Case of the Death Penalty** 379
Naci Mocan and Kaj Gittings
Comment: Lucía Quesada

12. Does Arrest Deter Violence? Comparing Experimental and Nonexperimental Evidence on Mandatory Arrest Laws	421
Radha Iyengar	
<i>Comment:</i> Rafael Di Tella	
Contributors	457
Author Index	461
Subject Index	467

Acknowledgments

This book compiles the papers presented at the conference “Crime, Institutions, and Policies,” co-organized by the Inter-American Seminar on Economics of the National Bureau of Economic Research (NBER) and LICIP (Laboratorio de Investigaciones sobre Crimen, Instituciones y Políticas) of Universidad Torcuato Di Tella in Buenos Aires, Argentina, on November 29–30, 2007. We are extremely grateful to the Tinker Foundation for generously supporting the activities at the LICIP, including the organization of this conference, as well as to the Inter-American Development Bank and Fernando de Santibañes. We thank David Pervin and two anonymous reviewers for very helpful comments. Luciana Esquerro, Juan Marcos Wlasiuk, Cecilia de Mendoza, and David Lenis provided excellent research assistance.

