

March 9, 2012

Organized by G. Aldashev (University of Namur)

**PAI PUBLIC ECONOMIC
WORKSHOP**

**« Economics of Crime
and Corruption »**

Program:

2:00 – 3:00 pm : Ruben Durante (Sciences-Po, Paris)

« Academic Dynasties : Decentralization and Familism in the Italian Academia »

3:15 – 4:15 pm : Gaia Narciso (Trinity College Dublin)

« The Effect of Mafia on Public Transfers »

4:45 – 5:45 pm : Giovanni Mastrobuoni (Collegio Carlo Alberto, Turin)

**« Police and Clearance Rates: Evidence from Quasi-Random Redeployment
within a City »**

Room C. Joset (4th floor) – University of Namur - Rempart de la Vierge 8, B-5000 Namur

Program: <http://www.fundp.ac.be/en/eco/eeco/economics-seminars-2011-2012>

PAI PUBLIC ECONOMIC WORKSHOP – March 9, 2012
« ECONOMICS OF CRIME AND CORRUPTION »

2:00 – 3:00 pm

Ruben Durante (Sciences-Po, Paris)

“Academic Dynasties: Decentralization and Familism in the Italian Academia”

Abstract: Decentralization can lead to "good" or "bad" outcomes depending on the socio-cultural norms of the targeted communities. We investigate this issue by looking at the evolution of familism and nepotism in the Italian academia before and after the 1998 reform, which decentralized the recruitment of professors from the national to the university level. To capture familism we use a novel dataset on Italian university professors between 1988 and 2008 focusing on the informative content of last names. We construct two indices of? Homonymy? Which capture the concentration of last names in a given academic department relative to that in the underlying general population. Our results suggest that increased autonomy by local university officials resulted in a significant increase in the incidence of familism in areas characterized by low civic capital but not in areas with higher civic capital.

3.15 – 4:15 pm

Gaia Narcisso (Trinity College Dublin)

“The Effect of Mafia on Public Transfers”

Abstract: Organized crime is a worldwide, widespread phenomenon, which affects developing as well as developed countries, and entails deep economic and social consequences. The purpose of this study is to enhance our understanding of organized crime activities. By using an innovative data set on Sicilian mafia activity available at municipality level, we test whether firms located in municipalities with mafia-related crimes obtain more public subsidies. In order to deal with the endogeneity of the relationship, we explore the origins of mafia. We instrument current mafia activity with exogenous historical and geographical shifters of land productivity, i.e. rainfall in the XIX century and geographical features at municipality level. We provide evidence that the presence of mafia affects the allocation of public transfers: municipalities with mafia activity receive larger public funding. The estimated impact of mafia is also economically relevant and equals one standard deviation of the dependent variable. According to our estimates the presence of mafia increases the total amounts of funds by about 35% on average. A series of robustness checks confirms the above findings.

4 :15 pm – Coffee Break

4:45 – 5:45 pm

Giovanni Mastrobuoni (Collegio Carlo Alberto, Turin)

“Police and Clearance Rates: Evidence from Quasi-Random Redeployment within a city”

Abstract: A fair number of recent papers have shown that an increase in the number of police forces reduces crime, but little is known about the mechanism. It is not entirely clear whether police deters crime by reducing the attractiveness of crimes or whether the reduction is driven by an incapacitation of criminals: higher clearance rates (Cook et al. 2011).

This paper exploits quasi-random redeployment of two police forces within the same Italian city, Milan, providing evidence of incapacitation. Larger number of police forces on the ground and more cohesive forces lead to higher clearance rates.