

# **Institutions, Crime, and Violence**

## **POLS2040 – Fall 2020**

Preliminary version (8/18/2020). Changes may be made.

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**Office:** 25 George Street

**Seminar times and location:**  
Thursdays at 1:30pm online

### Module Description

This class examines the relationships between institutions, criminal actors, and violence. State-based institutions play an important role in explaining the level of crime and whether crime is disorganized or organized. Organized crime groups, in turn, influence both state-based institutions (for example, through corrupting officials) and other criminal activity, often by creating the “rules of the game” by which other criminals can act. Finally, both criminal actors and state-based institutions influence the level of violence in society. Each of these three influences, and is influenced by, the others. This course offers the opportunity to better understand how these three factors relate to each other. It will engage with both major works on the topic and with recently published research and working papers. This will allow the student to develop a theoretically grounded framework to make empirical arguments and contribute to debates in the social sciences on crime and violence.

### Educational aims

The aims of the module are:

- To develop an understanding of why mafia groups form, how they organize, and what they do.
- To develop an understanding of what factors give rise to or increase the prevalence of mafia groups during transitions from autocratic to democratic regimes.
- To develop an understanding of why some criminal groups evolve into mafias and other do not and why some mafia groups are capable of migrating to new regions and others are not.
- To develop an understanding of the conditions in which criminal groups engage in activities, such as the illegal trade of drugs, kidnapping for ransom, and extortion.

### Learning outcomes

By the end of this module, students should be able to:

- Demonstrate an understanding of the literature on organized crime and mafias.
- Demonstrate an understanding of the broader literature that studies governance and institutions.
- Demonstrate extensive knowledge on an issue related to the course material. This may be demonstrated in the form of a lengthy research paper.
- Make a novel contribution to the study of the political economy of organized crime.

## Grading

Your grade will be determined by two components.

- 0% - Weekly paper ideas
- 30% - Discussion leader and participation
- 70% - Final paper

## Paper Ideas

Starting on the second week of class, you will submit weekly paper ideas that are inspired by the week's readings. Each one should only be a few sentences. These are not fully baked or even semi-baked paper ideas. They can be completely infeasible or simply impossible to actually write. The purpose of doing this is to practice brainstorming ideas based on strengths and weaknesses in the what we read.

## Participation

This class is discussion-based. Therefore, it is crucial that you show up for each seminar having completed all of the required readings. Each student will serve as discussion leader once. This will help us to generate more diverse ideas and perspectives, and it will provide experience for future teaching roles.

You should have comments and questions in mind for discussion. I will provide a guide on how to read an academic paper, but things to think about when reading an article include:

- Is this a descriptive or causal claim?
- What is the causal argument?
- What data are used? Are the data accurate, reliable, and appropriate?
- Does the paper use a theory to derive empirical implications?
- What is the theory and how plausible is it?
- What other empirical implications would the theory predict?
- Are there different interpretations of the findings?
- Did the author leave out other important factors or ignore problems of reverse-causality?

Most required readings are available or linked to on CANVAS.

I encourage you to read the guidance on how to productively read journal articles:

- ASR Review Guideline – General
- ASR Review Guideline – Comparative Historical
- ASR Review Guideline – Empirical and Policy

## Final Paper

The final paper can address any of the themes or ideas that we discuss. It can be theoretical, empirical, or conceptual. It will probably not be a perfectly polished first draft of a journal article, but that is what you should aim for. It should have a clear research question. The paper should explain how it fills a gap in the literature. You should discuss what research methods you will use to answer the research question. Papers should be formatted along the guidelines of the APSR, AJPS, or JOP. We will discuss this further in class.

## Accessibility and Accommodations Statement

Brown University is committed to full inclusion of all students. Please inform me early in the term if you may require accommodations or modification of any of course procedures. You may speak with me after class, during office hours, or by appointment. If you need accommodations around online learning or in classroom accommodations, please be sure to reach out to Student Accessibility Services (SAS) for their assistance (seas@brown.edu, 401-863-9588). Students in need of short-term academic advice or support can contact one of the academic deans in the College.

### 1. How is a mafia like a state? How is a state like a mafia?

#### September 10

Olson, M. (1993). Dictatorship, democracy, and development. *American political science review*, 87(3), 567-576.

Tilly, C. (1985). War making and state making as organized crime. *Bringing the State Back In*.

Margaret Levi. 1988. *Of Rule and Revenue*. Chapters 2 and 3

Randall Holcombe. 1994. *The Economic Foundations of Government*. Chapter 5: The Distinction between Clubs and Governments.

Lessing, B. (2018). Conceptualizing Criminal Governance. *Perspectives on Politics*, 1-20.

Kalyvas, S. N. 2015. How civil wars help explain organized crime—and how they do not. *Journal of Conflict Resolution*, 59(8), 1517-1540.

#### *Optional Reading:*

Frey, B. S. (2001). A utopia? Government without territorial monopoly. *Journal of Institutional and Theoretical Economics JITE*, 157(1), 162-175.

## 2. What is an organized crime group? What is a mafia?

### September 17

Federico Varese. 2010. "What is Organized Crime?" in *Organized Crime: Volume 1*. Routledge. Only pages 14-22.

Thomas Schelling. 1971. "What is the Business of Organized Crime?" *Journal of Public Law*.

James Buchanan. 1973. "A Defense of Organized Crime?" from *The Economics of Crime and Punishment*.

Federico Varese. 1994. "Is Sicily the future of Russia? Private protection and the rise of the Russian Mafia" *European Journal of Sociology*

Trejo, G., & Ley, S. (2017). Why Did Drug Cartels Go to War in Mexico? Subnational Party Alternation, the Breakdown of Criminal Protection, and the Onset of Large-Scale Violence. *Comparative Political Studies*.

### Optional Readings:

Gambetta, D. (1996). *The Sicilian Mafia: the business of private protection*. Harvard University Press.

Varese, F. (2001). *The Russian Mafia: private protection in a new market economy*. OUP Oxford.

Volkov, V. (2002). *Violent entrepreneurs: The use of force in the making of Russian capitalism*. Cornell University Press.

Volkov, V. (1999). Violent entrepreneurship in post-communist Russia. *Europe-Asia Studies*, 51(5), 741-754.

Wang, P. (2017). *The Chinese Mafia: Organized Crime, Corruption, and Extra-Legal Protection*. Oxford University Press.

### 3. What explains the variation in mafia presence and activity? I

#### September 24

Anja Shortland and Federico Varese. 2014. "The Protector's Choice" *British Journal of Criminology*.

Bandiera, O. 2003. Land reform, the market for protection, and the origins of the Sicilian mafia: theory and evidence. *Journal of Law, Economics, and Organization*, 19(1), 218-244.

Buonanno, P., Durante, R., Prarolo, G., & Vanin, P. (2015). Poor institutions, rich mines: resource curse in the origins of the Sicilian mafia. *The Economic Journal*, 125(586).

Murphy, T. E., & Rossi, M. A. (2020). Following the poppy trail: Origins and consequences of Mexican drug cartels. *Journal of Development Economics*, 143, 102433.

David Skarbek. 2014. *The Social Order of the Underworld*. Chapters 2-4

#### Optional Reading:

Acemoglu, De Feo, and De Luca. (2017). "Weak States: Causes and Consequences of the Sicilian Mafia." NBER Working Paper 24115.

Milhaupt, Curtis J. and Mark D. West. 2000. "The Dark Side of Private Ordering: An Institutional and Empirical Analysis of Organized Crime" *University of Chicago Law Review*

Peter Reuter. 1983. *Disorganized Crime: The Economics of the Visible Hand*. MIT Press.

Dimico, A., Isopi, A., & Olsson, O. (2017). Origins of the Sicilian mafia: The market for lemons. *The Journal of Economic History*, 77(4), 1083-1115.

Aziani, A., Favarin, S., & Campedelli, G. M. (2020). Security Governance: Mafia Control over Ordinary Crimes. *Journal of Research in Crime and Delinquency*, 57(4), 444-492.

## 4. What explains the variation in mafia presence and activity? II

### October 1

Federico Varese. 2011. *Mafias on the Move*. Chapter 2

Moro, F. N., & Sberna, S. (2017). Transferring Violence? Mafia Killings in Nontraditional Areas: Evidence from Italy. *Journal of Conflict Resolution*.

Maria Micaela Sviatschi. 2020. "Spreading Gangs: Exporting US Criminal Capital to El Salvador." Working paper.

Kronick, D. (2020). Prosperity and Violence in Illegal Markets: Evidence from Venezuela. *Journal of Conflict Resolution*.

David Skarbek. 2016. "Covenants without the Sword? Comparing Prison Self-Governance Globally" *American Political Science Review*.

### Optional Readings:

Maria Micaela Sviatschi. 2020. "Making a Narco: Childhood Exposure to Illegal Labor Markets and Criminal Life Paths"

## 5. What are the political consequences of mafias?

### October 8

Dipoppa, G. (2020). How Criminal Organizations Expand to Strong States: Migrants' Exploitation and Vote Buying in Northern Italy

De Feo, G., & De Luca, G. D. (2017). Mafia in the ballot box. *American Economic Journal: Economic Policy*, 9(3), 134-167.

Scognamiglio, A. (2018). When the mafia comes to town. *European Journal of Political Economy*.

Daniele, G., & Geys, B. (2015). Organised crime, institutions and political quality: Empirical evidence from Italian municipalities. *The Economic Journal*, 125(586).

Daniele, G., & Dipoppa, G. (2016). Mafia, elections and violence against politicians. *Journal of Public Economics*.

### Optional Readings:

Dal Bó, E., Dal Bó, P., & Di Tella, R. (2006). "Plata o Plomo?": Bribe and Punishment in a Theory of Political Influence. *American Political Science Review*, 100(1), 41-53.

Di Cataldo, M., & Mastrococco, N. (2016). Organised crime, captured politicians, and the allocation of public resources. *London School of Economics, mimeo*.

Pinotti, P. (2012). Organized crime, violence and the quality of politicians: Evidence from southern Italy.

Pinotti, Paolo. (2015). The Economic Costs of Organised Crime: Evidence from Southern Italy. *Economic Journal*.

Pinotti, Paolo. (2015). The Causes and Consequences of Organised Crime: Preliminary Evidence Across Countries. *Economic Journal*.

## 6. How does organized crime organize?

### October 15

Steven Levitt and Sudhir Venkatesh. 2000. "An Economic Analysis of a Drug-Selling Gang's Finances" *Journal of Political Economy*

Peter Leeson. 2007. "An-arrgh-chy: The Law and Economics of Pirate Organization" *Journal of Political Economy*.

David Skarbek. 2011. "Governance and Prison Gangs." *American Political Science Review*.

Lessing, B., & Willis, G. D. (2018). Legitimacy in Criminal Governance: Managing a Drug Empire from Behind Bars. *American Political Science Review*

Venkatesh, S. A. (1997). The social organization of street gang activity in an urban ghetto. *American Journal of sociology*, 103(1), 82-111.

### Optional Readings:

Andrew Dick. 1995. "When Does Organized Crime Pay? A Transaction Cost Analysis" *International Review of Law & Economics*

Castillo, J. C., & Kronick, D. (2020). The Logic of Violence in Drug War. *American Political Science Review*, 1-14.



## 7. Elections, crime, and violence

### **October 22**

Snyder, R., & Duran-Martinez, A. (2009). Does illegality breed violence? Drug trafficking and state-sponsored protection rackets. *Crime, law and social change*, 52(3), 253-273.

Ponce, López, & Santamaría. 2019. "Do local elections increase violence? Electoral cycles and organized crime in Mexico" *Trends in Organized Crime*

Ley, S. 2013. To Vote or Not to Vote: How Criminal Violence Shapes Electoral Participation. *Journal of Conflict Resolution*.

Eduardo Moncada. 2019. "The Politics of Criminal Victimization: Pursuing and Resisting Power." *Perspectives on Politics*.

Tajima, Y. (2016). Political Development and the Fragmentation of Protection Markets: Politically Affiliated Gangs in Indonesia. *Journal of Conflict Resolution*.

Timothy Frye. 2002. "Private protection in Russia and Poland" *American Journal of Political Science*

## 8. When is illegality associated with violence and how does violence vary?

### October 29

Cruz, J. M., & Durán-Martínez, A. (2016). Hiding violence to deal with the state: Criminal pacts in El Salvador and Medellín. *Journal of Peace Research*, 53(2), 197-210.

Chris van der Borgh and Wim Savenije. 2019. "The Politics of Violence Reduction: Making and Unmaking the Salvadorean Gang Truce." *Journal of Latin American Studies*.

Phillips, B. J., & Ríos, V. (2019). Narco-messages: Competition and public communication by criminal groups. *Latin American Politics and Society*.

Durán-Martínez, A. (2015). To Kill and Tell? State Power, Criminal Competition, and Drug Violence. *Journal of Conflict Resolution*, 59(8), 1377-1402.

### Other Readings:

Chimeli, A. B., & Soares, R. R. (2017). The use of violence in illegal markets: Evidence from mahogany trade in the Brazilian Amazon. *American Economic Journal: Applied Economics*, 9(4), 30-57.

## 9. Various topics

### November 5

Holland, B. E., & Rios, V. (2015). Informally Governing Information: How Criminal Rivalry Leads to Violence against the Press in Mexico. *Journal of Conflict Resolution*, 61(5), 1095-1119.

Dube, A., Dube, O., & García-Ponce, O. (2013). Cross-border spillover: US gun laws and violence in Mexico. *American Political Science Review*, 107(3), 397-417.

Calderón, G., Robles, G., Díaz-Cayeros, A., & Magaloni, B. (2015). The beheading of criminal organizations and the dynamics of violence in Mexico. *Journal of Conflict Resolution*, 59(8), 1455-1485.

Alesina, A., Piccolo, S., & Pinotti, P. (2018). "Organized crime, violence, and politics." *Review of Economic Studies*.

Lessing, B. (2015). Logics of violence in criminal war. *Journal of Conflict Resolution*, 59(8), 1486-1516.

## 10. Various Topics

### November 12

- Magaloni, B., Franco-Vivanco, E., & Melo, V. (2020). Killing in the Slums: Social Order, Criminal Governance, and Police Violence in Rio de Janeiro. *American Political Science Review*, 114(2), 552-572.
- Dell, M. (2015). Trafficking networks and the Mexican drug war. *American Economic Review*, 105(6), 1738-79.
- Magaloni, B., Robles, G., Matanock, A. M., Diaz-Cayeros, A., & Romero, V. (2020). Living in Fear: the Dynamics of extortion in Mexico's Drug War. *Comparative Political Studies*, 53(7), 1124-1174.
- Moro, F. N., & Sberna, S. (2017). Transferring Violence? Mafia Killings in Nontraditional Areas: Evidence from Italy. *Journal of Conflict Resolution*, 0022002717693049.
- Moro, F. N., & Villa, M. (2017). The New Geography of Mafia Activity. The Case of a Northern Italian Region. *European Sociological Review*, 33(1), 46-58.

## 11. How does private and disorganized violence operate?

**November 19**

Phillips, B. J. (2016). Inequality and the Emergence of Vigilante Organizations: The Case of Mexican Autodefensas. *Comparative Political Studies*, 50(10), 1358-1389.

Livia Schubiger. 2018. "State Violence and Wartime Civilian Agency: Evidence from Peru"

Obert, J. (2017). The Coevolution of Public and Private Security in Nineteenth-Century Chicago. *Law & Social Inquiry*.

Escalante, E. E. (2020). Night watchers and terrorists. *Journal of Economic Behavior & Organization*, 171, 116-131.

Freire and Skarbek. 2020. Vigilantism in Brazil: Three Survey Experiments. Working paper.