



Department of Political Economy
King's College London

Political Economy of Organized Crime

7SSPP108

Term 2, 2014-15
Tentative till First Day of Class

Lecturer: Dr. David Skarbek
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Office hours: Thursdays and Friday, 1pm to 2pm
Office: S.208

Seminar times and location: Thursdays, 3pm-5pm, at S2.30

Module Description

A country's political institutions have an important influence on the level and type of crime in that country. Democratic institutions and the rule of law typically characterize relatively wealthy and peaceful countries. Citizens in countries with authoritarian regimes are often subject to insecurity and violence. Following from this, we would expect that transitions from authoritarian regimes to democratic regimes would diminish the influence of organized crime. However, in many instances, this doesn't seem to be true, and many of these transitional regimes face severe crises related to crime. A key to understanding the relationship between political institutions, transition, and crime is to examine the rise and role of organized crime. Organized criminal groups and mafias play an important role by providing governance institutions. They can both supplement and undermine formal governance institutions. This course examines from a comparative perspective the dynamics of mafias, governance institutions, and emerging democracies.

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 others 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 insurgent and terrorist actions, such as the illegal trade of drugs, kidnapping for ransom, extortion, and the plundering of natural resources.
- To discuss what the most efficient policy response is to mafias.

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.

Assessment

- Your performance in this module will be assessed by one written essay with a maximum of 8,000 words, worth 90% of the final grade for the course. The essay is due on **3 April 2015 by 4:59pm.**
- Tutorial Attendance and Participation is worth 10% of your final grade based on the following criteria:

Mark	Criteria
0	<ul style="list-style-type: none">• absent without apology
40	<ul style="list-style-type: none">• present but no participation in discussion, even when asked directly• failure to demonstrate any preparation of material
60	<i>In order to receive this mark, the student will:</i> <ul style="list-style-type: none">• make only occasional contributions to the discussion;• show only limited familiarity with the material;• show tact and courtesy in class participation.
80	<i>In order to receive this mark, the student will:</i> <ul style="list-style-type: none">• frequently make a useful contribution to the discussion;• frequently demonstrate that they have prepared for the class;• frequently show tact and courtesy in class participation.
100	<i>In order to receive this mark, the student will:</i> <ul style="list-style-type: none">• consistently make an exceptional contribution to the discussion;• consistently demonstrate evidence of independent research and reading;• consistently show tact and courtesy in class participation.
AA	<ul style="list-style-type: none">• authorised absence.

Lecture programme and readings

A substantial part of this class is discussion-based. Therefore, it is crucial that you show up for each seminar having completed the readings. You should have comments and questions in mind to raise for discussion.

All required readings are available or linked to on KEATS.

Readings marked with an asterisk are optional and will inform my lectures.

1. What's this class all about?

15 January

I will explain how the module is organized and assessed, will give an overview of the types of readings and subjects we will cover, and then lecture on an example from my own work.

*David Skarbek. 2014. *The Social Order of the Underworld*. Chapter 4.

2. What's the Difference between Organized Crime, Mafias, and States?

22 January

Federico Varese. 2010. "What is Organized Crime?" in *Organized Crime*, pgs. 14-21

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

Stergios Skaperdas. 2001. "The Political Economy of Organized Crime: Providing Protection When the State Does Not" *Economics of Governance*

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

Mancur Olson. 2000. *Power and Prosperity*. Chapters 1 and 2.

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

3. What Do Organized Crime Groups and Mafias Do?

29 January

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

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

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*

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

David Skarbek. 2014. *The Social Order of the Underworld*. Chapter 3.

*Douglass North. 1990. *Institutions, Institutional Change, and Economic Performance*. Cambridge University Press.

4. How Do Criminals Organize?

5 February

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

David Skarbek. 2014. *The Social Order of the Underworld*. Chapter 5

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

Maurizio Catino. 2014. "How Do Mafias Organize?" *European Journal of Sociology*.

Peter Leeson and Douglass Rogers. 2012. "Organizing Crime" *Supreme Court Economic Review*.

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

5. How Does Crime Organize in the Shadow of the State?

12 February

Richard Snyder and Angelica Duran-Martínez. 2009. "Does illegality breed violence? Drug trafficking and state-sponsored protection rackets" *Crime, Law and Social Change*

Richard Snyder. 2006. "Do Lutable Wealth Breed Disorder? A Political Economy of Extraction Framework" *Comparative Political Studies*

Arindrajit Dube, Oeindrila Dube and Omar Garcia-Ponce. 2013. "Cross-border Spillover: U.S. Gun Laws and Violence in Mexico" *American Political Science Review*

Robert Vargas. 2014. "Criminal Group Embeddedness and the Adverse Effects of Arresting a Gang's Leader: A Comparative Case Study" *Criminology*

****Reading Week. No Class on 19 February****

6. How Does Crime Organize in Weak and Failed States?

26 February

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

Hung-en Sung. 2004. "State failure, economic failure, and predatory organized crime: A comparative analysis" *Journal of Research in Crime and Delinquency*

Anja Shortland and Marc Vothknecht. 2011. "Combating 'Maritime Terrorism' in Somalia" *European Journal of Political Economy*

Benjamin Powell, Ryan Ford, and Alex Nowrasteh. 2008. "Somalia After State Collapse: Chaos or Improvement" *Journal of Economic Behavior and Organization*

OR

Peter Leeson. 2007. "Better Off Stateless: Somalia Before and After Government Collapse" *Journal of Comparative Economics*

7. How Does Crime Organize in Latin America?

5 March

Graham Denyer Willis and Mariana Mota Prado. 2014. "Process and Pattern in Institutional Reforms: A Case Study of the Police Pacifying Units (UPPs) in Brazil" *World Development*

Enrique Desmond Arias, "The Dynamics of Criminal Governance: Networks of Social Order in Rio de Janeiro," *Journal of Latin American Studies*, vol. 38, no. 2, 2006.

Kent Eaton, "The Downside of Decentralization: Armed Clientelism in Colombia," *Security Studies*, vol. 15, no. 4, October-December 2006.

John Bailey and M. Taylor, “Evade, Corrupt, or Confront? Organized Crime and the State in Brazil and Mexico,” *Journal of Politics in Latin America*, vol. 2, 2009

8. How Do Criminal Use Violence to Extort and Plunder?

12 March

Richard Snyder and Ravi Bhavnani. 2005. “Diamond, Blood, and Taxes: A Revenue-Centered Framework for Explaining Political Order” *Journal of Conflict Resolution*

David Skarbek. 2014. *The Social Order of the Underworld*. Chapter 6.

Peter Leeson. 2010. Pirational Choice: The Economics of Infamous Pirate Practices. *Journal of Economic Behavior and Organization*.

Benjamin Olken and Patrick Barron. 2009. “The Simple Economics of Extortion: Evidence from Trucking in Aceh” *Journal of Political Economy*

*Stathis Kalyvas. 2006. *The Logic of Violence in Civil War*, Cambridge: Cambridge University Press. Chapter on logic of violence.

9. How Does Prison Social Order Vary Around the World?

19 March

Sacha Darke. 2013. “Inmate Governance in Brazilian Prisons.” *The Howard Journal of Criminal Justice*

Doran Larson. 2013. “Why Scandinavian Prisons are Superior” *The Atlantic Magazine*

Diego Gambetta. 2009. *Codes of the Underworld*. Chapter 4.

Rebecca Trammell. 2011. “Symbolic Violence and Prison Wives: Gender Roles and Protective Pairing in Men’s Prisons” *The Prison Journal*

Kristian Mjaland. 2014. “‘A Culture of Sharing’: Drug Exchange in a Norwegian Prison” *Punishment & Society*.

*David Skarbek. 2010. “Self-governance in San Pedro Prison.” *The Independent Review*

10. What are the Political Consequences of Organized Crime?

26 March

Christopher Blattman. 2009. "From Violence to Voting: War and Political Participation in Uganda" *American Political Science Review*

Arzu Kibris. 2011. "Funerals and Elections: The Effects of Terrorism on Voting Behavior in Turkey" *Journal of Conflict Resolution*

Moisés Arce. 2003. "Political Violence and Presidential Approval in Peru" *The Journal of Politics*

Luisa Blanco. 2013. "The Impact of Crime on Trust in Institutions in Mexico" *European Journal of Political Economy*

Francesco Moro, Andrea Petrella, and Salvatore Sberna. 2014. "The Politics of Mafia Violence: Explaining Variation in Mafia Killings in Southern Italy (1983–2008)" *Terrorism and Political Violence*