UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Economic Analysis of Organized Crime

2425-2-F8803N016

Learning objectives

Introduction to the principles, concepts, and tools of economics of crime, with a specific focus on the topic of organized crime.

Contents

The course begins by reviewing the methodological tools needed to understand the empirical models and analyses of the economics of crime: microeconomic theories of decision making and welfare economics; statistical and econometric methods commonly used in the studies of the economics of crime.

The first part of the course introduces the fundamentals of the economics of crime (the microeconomic approach and rational choice theory in criminology; economic analysis of the costs of crime, and cost-benefit analysis of crime prevention and counter-crime policies), and discusses theories, models, and empirical evidence on a selection of classic topics (among others, the relationship between certainty, severity, and type of punishment and crime; social interactions, peer effects, and crime).

The second part of the course will cover the economics of organized crime, discussing the alternative theories on the origin, nature and causes of organized crime, and presenting economic analyses of the activities of criminal organizations, the relationship between institutions and criminal organizations, and policies against organized crime.

Detailed program

Part I. Economics of crime.

Unit 01. Fundamentals of microeconomic theory and econometrics
Unit 02. Economists and crime: microeconomic approach and rational choice theory in criminology
Unit 03. Economic analysis of the costs of crime and cost-benefit analysis in the evaluation of crime prevention and law enforcement policies
Unit 04. Crime and certainty of punishment: police and crime; conviction rates and crime
Unit 05. Prison and crime: deterrence vs. incapacitation
Unit 06. Alternative sanctions: fines and probation
Unit 07. Social interactions and peer effect in crime
Unit 08. Education, economic conditions and crime
Unit 09. Immigration and crime
Unit 10. Illicit drugs

Part II. Economics of organized crime
Unit 11. Alternative theories on the origin and nature of criminal organizations
Unit 12. The activities of criminal organizations: criminal organizations as firms; transaction costs and organizational boundaries; internal cohesion and competition among criminal organizations; recruitment; criminal organizations in the formal economy
Unit 13. State and organized crime
Unit 14. Policies on organized crime

Prerequisites

Lectures and slides are in Italian. However, many references are in English. A good understanding of written English is therefore recommended.

The course has a quantitative emphasis. No specific knowledge of mathematical or statistical methods is required. However, good motivation to approach quantitative working methods is important, like reading graphs and tables, interpreting scientific studies, and using economic and statistical terminology. Basic notions of infinitesimal calculus, microeconomics and statistics are useful, though not strictly needed.

Teaching methods

The course consists of 56 hours, of which approximately:

- 60% didactic teaching (lectures with slides and videos);
- 40% interactive teaching (real-time questions, group presentations and debates).

In lectures, student participation is strongly encouraged. Students will often be invited to express their opinions with respect to the topics covered. Lectures will be based on slides (made available to students after each lecture) and include a variety of interactive methods, such as real-time questions and debates.

The course will include a series of presentations by students, with subsequent class discussion.

Assessment methods

The final exam consists of a written exam with multiple choice questions (60% of the final grade) and open

questions (40% of the final grade).
The exam will last 90 minutes.

During the course, willing students can actively participate in the lectures with group works and presentations. Students who undertake these activities will receive a grade and will have the option of allocating this grade to the "open questions" part of the written exam, thus only having to complete part of the written exam.
The presentation will be on a topic related to the course. The list of topics will be communicated to students during the course. The size of each group and the duration of each presentation will depend on the number of students willing to give the presentation. The presentation will be evaluated on the base of: clarity of presentation; clarity of slides; originality and critical approach to the topic addressed; ability to make connections between the topic addressed and other topics in the course.

Failing an exam does not make students ineligible to retake the test on the following exam date.

Textbooks and Reading Materials

References:

- Albertson, K. & Fox, C. (2012), *Crime and Economics: An Introduction*, Routledge, ISBN: 9781843928423.
- Buonanno, P., Vanin, P. & Vargas, J. (eds.) (2022), *A modern guide to the economics of crime*, Edward Elgar, ISBN: 78-1035338986;
- Catino, M. (2020), *Le organizzazioni mafiose. La mano visibile dell'impresa criminale*, Il Mulino, ISBN: 978-88-15-28595-9;
- Fiorentini, G. & Peltzman, S. (eds.) (1997), *The economics of organised crime*, Cambridge University Press, ISBN: 0-521-62955-1;
- Winter, H. (2020), *The economics of crime. An introduction to rational crime analysis*, 2nd Ed., Routledge, ISBN: 978-1-138-60752-1;
- Yezer, A. M. (2014), *Economics of crime and enforcement*, Taylor & Francis, ISBN 978-0-7656-3710-9.

Slides, papers, additional references and further material will be made available at the course page on the e-learning platform.

Sustainable Development Goals

QUALITY EDUCATION | DECENT WORK AND ECONOMIC GROWTH | REDUCED INEQUALITIES | PEACE, JUSTICE AND STRONG INSTITUTIONS