

Formal Employment and Organised Crime: Regression Discontinuity Evidence from Colombia

ECONOMIC JOURNAL

Número:

654

DOI:

<https://doi.org/10.1093/ej/uead025>

Publicado:

Sábado, 17 Junio 2023

Authors:

Gaurav Khanna^e,

[Carlos Alberto Medina-Durango^a](#),

Anant Nyshadham^e,

Jorge Tamayo^e,

Nicolas Torres^e

Ver más

^eExterno

^aBanco de la República, Colombia

[Descargar documento](#)

Lo más reciente

[Evaluación de los efectos de las recientes normas de provisiones sobre la asignación del crédito de consumo en Colombia](#)

Diego Fernando Cuesta-Mora, Fredy Alejandro Gamboa-Estrada, Camilo Eduardo Sánchez-Quinto

[Educación e inclusión financieras en América Latina y el Caribe: programas de los bancos centrales y las superintendencias financieras](#)

María José Roa-García, Gloria Amparo Alonso Masmela, Nidia García Bohórquez, Diego A. Rodríguez-Pinilla

[Deuda Pública, Expectativas sobre el Déficit Fiscal y su Transmisión al Componente Cíclico de las Tasas de Interés de Largo Plazo](#)

José Vicente Romero-Chamorro, Hernando Vargas-Herrera

[Otras Publicaciones](#)

Safety net programs, common in settings with high informality like Latin America, often use a means test to establish eligibility. We ask: in settings in which organised crime provides lucrative opportunities in the informal market, will discouraging formal employment via benefits eligibility criteria increase criminal enterprise activity? We link administrative socioeconomic microdata with the universe of arrests in Medellín over a decade, and exploit exogenous variation in formal-sector employment around a socioeconomic-score cutoff, below which individuals receive generous benefits if not formally employed. Regression discontinuity estimates confirm this policy

Formal Employment and Organised Crime: Regression Discontinuity Evidence from Colombia

Formal Employment and Organised Crime: Regression Discontinuity Evidence from reduced formal-sector employment and generated a corresponding increase in arrests associated with organised crime. We do not find increases for crimes unlikely to be associated with organised entities, such as crimes of impulse or opportunity. Effects on arrests are strongest in neighbourhoods where organised crime is most prevalent.