



Social closure, surnames and crime[☆]



Paolo Buonanno^{a,*}, Paolo Vanin^b

^a Department of Economics, University of Bergamo, Via dei Caniana 2, 24127 Bergamo, BG, Italy

^b Department of Economics, University of Bologna, Piazza Scaravilli 2, 40126 Bologna, BO, Italy

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ABSTRACT

This paper studies the effect of social closure on crime and tax evasion rates using disaggregated data for Italian municipalities. We propose an original and innovative measure of social closure based on the diversity of surname distribution, which reflects a community's history of migration and inbreeding. We find that, all else equal, communities with a history of social closure have lower crime rates and higher tax evasion rates than more open communities. The effect of social closure is likely to be causal, it is relevant in magnitude, statistically significant, and robust to changes in the set of included controls, in the specific measures of dependent and independent variables, in the specification of the regression equation, and in the possible sample splits. Our findings are consistent with the idea that social closure strengthens social sanctions and social control, thus leading to more cooperative outcomes in local interactions, but it reduces cooperation on a larger scale.

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1. Introduction

The traditional economics of crime, that stemmed from the seminal paper by Becker (1968), focused on the deterrent effect of punishment devoting little attention to the social and informal determinants of criminal behavior. Recent literature has increasingly addressed this issue. Weber (1978) defines social closure as the tendency of a group to restrict entry to outsiders. Sociologists and economists have long recognized its role in shaping pro- and anti-social behavior. Some scholars (e.g., Durkheim, 1893; Posner, 1997; Allcott et al., 2007) emphasize that, by intensifying repeated interaction, strengthening social sanctions and favoring collective action, social closure may raise social control and reduce crime.¹ Other scholars (e.g., (Banfield, 1958; Platteau, 2000; Tabellini, 2008)) suggest that the improvement in norm enforcement at the local level may come at the expense of cooperation on a larger scale, so that social closure may give rise to phenomena such as amoral familism or limited morality (as opposed to generalized morality), eventually hampering cooperation with strangers,

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* Corresponding author.

E-mail addresses: paolo.buonanno@unibg.it (P. Buonanno), paolo.vanin@unibo.it (P. Vanin).

¹ Variations of these arguments include theories of anomie, social disorganization, social capital, reputation and retaliation. See also, among others, Shaw and McKay (1942), Coleman (1988), Sampson (1993), Elster (1989), Rasmusen (1996), Funk (2004), Falk et al. (2005), Buonanno et al. (2012), Bigoni et al. (2016).

economic exchange and development.² As discussed in Coleman (1988), Putnam (2000), Allcott et al. (2007) community size is extremely relevant in affecting prosocial behavior, suggesting that social closure may facilitate cooperation and increase trust among individuals. This is due to the fact that social sanctions are stronger in socially closed networks. Empirical progress has been limited by the difficulty to overcome two main challenges: finding a credible measure of social closure for large samples and establishing its causal impact on crime rates.

This paper examines the relationship between social closure and crime rates using very disaggregated data for Italian municipalities. We deal with the empirical issues proposing a new measure of social closure. Our approach borrows from the human biology and genetic literature and measures the degree of openness of a community by the diversity of its surname distribution, which reflects a community's history of migration and inbreeding. As we detail in Section 2, relative to competing measures of social closure, ours has the advantage of being more direct and disaggregated, as well as of being available for large samples.

We document a positive and significant correlation between a municipality's crime rates and the diversity of its surname distribution. This correlation is relevant in magnitude, robust to alternative specifications, it has high explanatory power, and it is always strongly significant but in cities, where interaction is more anonymous. At the same time, we also document a negative, significant and robust correlation between surname diversity and the TV tax evasion rate. The latter is due by all households that own a television, which are virtually the totality of households, and finances TV broadcasting of public national channels, which is essentially a national public good since in practice no households are excluded. We thus find that, all else equal, communities with a history of social closure display lower crime rates at the local level but also lower contribution to national public goods than more open communities.

We argue that it is unlikely that these results are driven by reverse causality. It is more difficult to exclude that they are driven by omitted variables, associated to both historical social closure and to current crime rates and TV tax evasion rates. Yet, the robustness of the above results to changes in the set of included controls, in the specific measures of dependent and independent variables, in the specification of the regression equation, and in the possible sample splits, as well as their robustness to instrumentation by the presence of major Roman roads, suggest that omitted variables are not likely to drive them either.

Our evidence is consistent with the idea that social closure strengthens social sanctions and social control, thus leading to more cooperative outcomes in local interactions, but crowds out values of generalized cooperation, thus reducing cooperation on a larger scale. Since this is the effect of a strengthening in local enforcement predicted by Tabellini (2008), we see our results as supportive evidence for his model. The theoretical intuition is that, in a more closed community, precisely the fact that people interact more frequently and repeatedly with one another strengthens social sanctions and social control, and thus the incentive to cooperate locally, but at the same time it reduces the value of cooperation with strangers, with whom interaction is less frequent and the probability of being sanctioned if cheating is lower. Hence, social closure fosters cooperation with neighbors, but hampers it with strangers. Empirically, it reduces crime rates at the local level, but it also reduces private contribution to national public goods.

The remainder of the paper is organized as follows. In Section 2 we put our proposed measure of social closure in the context of other studies that have relied on information based on surnames. Section 3 presents the data. Sections 4 and 5 display our baseline evidence and a number of robustness exercises. Section 6 concludes.

2. Social closure and surname diversity

One of the main challenges in the empirical study of the effects of social closure is finding a credible and reliable measure, available for large samples. In this paper we propose an innovative and original approach based on measuring a community's social openness by the diversity of its surname distribution. In particular, we focus on surname entropy, but we also consider different statistics.

Under patrilineal transmission, apart for mutations, such as new surnames due to misspelling or to voluntary changes, which are typically limited in number, over time a community's surname distribution essentially becomes more diverse when men with new surnames arrive from outside to form new households, whereas it becomes less diverse when men either leave the community or inbreed (that is, form new households with women of the same community), in the latter case because surnames tend to disappear due to the positive probability of having no male offspring. Thus, a community with a history of closure ends up with a highly concentrated surname distribution, whereas one with a history of openness will have a more diverse distribution.

² In principle, social closure might even foster crime through a number of channels, ranging from imitation of delinquent peers (Glaeser et al., 1996; Patacchini and Zenou, 2012) to know-how sharing among criminals (Calvó-Armengol and Verdier, 2004), to street culture (Silverman, 2004).

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