Crime, Deterrence, and Democracy

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Summary

We provide new evidence on the effect of deterrence on crime using the experience of a transition country (the Czech Republic) as a quasi-natural experiment. The arrival of democracy in 1989 was accompanied by sharp reductions in all measures of deterrence and sharp increases in crime rates.

We test whether deterrence, rather than other factors, was responsible for the post-1989 growth in crime on a panel dataset of Czech regions. The results show significant deterrence effects for robberies and thefts that are quantitatively similar to those found in previous literature, but insignificant deterrence effects for murders and rapes.