

CRIME4:

$$\Delta \log(\text{crime}_{it}) = \alpha_0 + \alpha_1 d83_t + \dots + \alpha_5 d87_t +$$

As avg sen $\uparrow$ by 1 %

$$\beta_1 \Delta \log(\text{avg sen}_{it}) +$$

crime $\downarrow$ 0.066 %

$$\beta_2 \Delta \log(\text{pol pc}_{it}) + \Delta u_{it}$$

pol pc : # police officers
per capita

$$\hat{\beta}_1 = -0.066$$

$$\hat{\beta}_2 = 0.284 \quad \text{clustered se's:}$$

crime : crimes per person

$$\text{se}(\hat{\beta}_1) = 0.025 \quad 0.031$$

avg sen : avg. sentence length

$$\text{se}(\hat{\beta}_2) = 0.029 \quad 0.096$$

country	crime rate	crime rate	$cr - \overline{cr}$ or, cr
1	0.05	0.05	0
1	0.05	0.05	0
1	0.05	0.05	0
2	0.07	0.07	0
2	0.07	"	0
2	0.07	"	0
3	0.09	0.09	0
3	0.09	"	0
3	0.09		
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