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Redistribution and Crime when Agents Have  
Limited Liability: a Note.

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## **Redistribution and Crime when Agents Have Limited Liability: a Note**

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### **Abstract**

Monetary sanctions are less effective when agents cannot afford to pay them in full. We present a simple model of a society with two types of risk averse agents, differing in terms of productivity in the legal labor market. We consider transfers from the most productive to the least productive agents and discuss the conditions under which redistribution can reduce crime.

Keywords: Crime, Limited Liability, Income Transfers.

JEL Classification: K42, H23, I38.

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