## Abstract

This study investigates the effect of law enforcement in predatory economies. A predatory economy is an economy where long-term growth performance is lower than optimal, due to a high share of predation. The focus is purely economical and strictly on the private economy. A predation trap occurs, which depends on the initial allocations of entrepreneurship in the economy. The economy can find its way out of the trap, if the flow of new entrepreneurs is sufficient. This study amends an existing model of predation by introducing different law enforcement regimes. It shows that it is possible to regulate the parasitic activities through increased law enforcement. The law enforcement changes the initial conditions required for the predation trap to exist, and thus improve long-term growth performance. However, the law enforcement needs to be cost-effective in order to be worth introducing. On low initial levels of entrepreneurship, introducing law enforcement does not necessarily lift the country out from the predation trap. The country still needs a sufficient enough flow of new entrepreneurs into the economy to free it from predation. Hence, this study explains partly why poor countries stay poor.

## Keywords
- predation
- organized crime
- corruption
- parasitism
- rent-seeking
- allocation of talents
- law enforcement
- economic growth
- development
- lajinta
- korruption
- parasitismi
- järjestäytynyt rikollisuus
- lainvalvonta
- talouskasvu
- talouden kehitys

## Additional Information

Muita tietoja-Övriga uppgifter-Additional information