CRIME DOESN'T PAY

Nobel Prizes are a very big deal in economics. But the rarer – and, arguably, more prestigious – honor within the profession is the John Bates Clark Medal, awarded every other year by the American Economic Association to an American practitioner under the age of 40.

The 2003 award went to Steven Levitt (age 35!) of the University of Chicago, who has the knack for ferreting the profound from the obscure. Among the subjects of his recently published papers: sumo wrestling, drunk driving, teachers who cheat, soccer penalty kicks and Congressional pork barrel spending.

One striking paper: an analysis of the economics of illegal drug retailing, based on the detailed records of a street gang. Levitt concludes that average drugsellers' wages are wretched (many net less than the minimum wage). But, like other contemporary industries, incomes are highly skewed with overwhelming winner-take-all characteristics.

"An Economic Analysis of a Drug-Selling Gang's Finances" (with Sudhir Venkatesh) appeared in the *Quarterly Journal of Economics* (August 2000). Download a version from the National Bureau of Economic Research at www.nber.org/papers/w6592.pdf ($5 charge).

CRYING FOR ARGENTINA

What makes Argentina – a country that by rights ought to be among the richest in the world – the longest running failure in the history of economic development? Guillermo Perry and Luis Serven of The World Bank don't claim to know what Madonna and Andrew Lloyd Webber couldn't figure out in the movie version. But they do know a lot about why Argentina's last experiment with bootstrap development, built around the "dollarization" of the economy, ended so badly. Read it and, if you absolutely must, weep.

Download "The Anatomy of a Multiple Crisis: Why Was Argentina Special and What Can We Learn From It?" at econ.worldbank.org/view.php?type=5&id=27742

GOOD NEWS FROM DISMAL SCIENTIST

As Gary Becker notes in this issue (page 68), not all the news about income distribution is depressing. He cites research by Xavier Sala-i-Martin, a Catalan who teaches economics at Columbia University. Thanks largely to growth in China, the number of people living on less than $2 a day has been cut by more than half in the last three decades – and the total number of desperately poor people is down by as much as a half billion.

Yes, income equality has increased *within* virtually all countries. But thanks to good happenings in Asia, this is more than offset by the narrowing of differences between rich and poor countries.

"The Disturbing 'Rise' of Global Income Inequality" is NBER Working Paper 8904. Download at www.nber.org/papers/w8904.pdf ($5 charge). ▣

LISTS

MEMO TO BUSINESS SCHOOL DEANS:

Did you get a bad rating in one of those surveys of MBA programs? Relax – the next survey is likely to show very different results. Consider the bizarre variations below. Dartmouth's Tuck School took top honors from *The Wall Street Journal*, but came in 16th in the *BusinessWeek* survey. The Stanford program, which *U.S. News & World Report* and

the *Financial Times* thought was top-drawer, placed a wretched 39th in the *WSJ* survey – behind SMU, Wake Forest and Thunderbird.

Why the differences? Measurement criteria varied. *Forbes* ranked schools according to returns on investment in tuition and foregone wages. The *WSJ* based its rankings on the opinions of corporate job recruiters, while *U.S. News* used a complicated index that included everything from deans' ratings to starting salaries. Still, it's hard to avoid the conclusion that there is less here than meets the eye. Oh, there's one other thing: rankings do sell newspapers and periodicals (maybe even this one). Stay tuned for the top 10 restaurants in Baghdad and 50 new ways to leave your lover.

SCHOOL	U.S. NEWS 2003	FINANCIAL TIMES 2003	WALL STREET JOURNAL 2002	FORBES 2001	BUSINESSWEEK 2000
Harvard	1	2	9	1	3
Stanford	2	4	39	10	11
Penn	2	1	5	2	1
MIT	4	10	30	8	4
Northwestern	4	9	4	9	2
Columbia	6	3	10	3	7
Duke	7	15	25	11	5
Univ. of California (Berkeley)	7	15	16	15	18
Chicago	9	5	6	5	10
Dartmouth	10	11	1	4	16
Virginia	11	14	20	13	9
New York University	12	8	24	22	13
Michigan	13	25	2	19	6
UCLA	14	20	36	12	12
Yale	14	12	8	6	19
Cornell	16	19	19	7	8
Carnegie Mellon	17	23	3	14	14
Texas	17	32	7	NR	17
Ohio State	19	39	18	NR	NR
USC	20	31	35	NR	24
Emory	21	29	17	18	NR
North Carolina	21	23	12	16	15
Indiana	23	45	14	23	20
Georgetown	24	17	*	24	29
Purdue	24	47	11	NR	25

*not in top 50.