

Economics of Migration

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Why Should There be a link between Immigration and Crime?

- Immigration seems to be a major concern in many developed countries more for its implications for crime than for the effects in the labor market, as shown in Figure 1 from Pinotti (2016).

Why There Should be a link between Immigration and Crime?

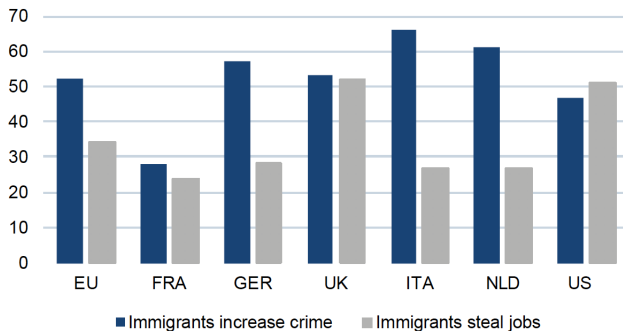


Figure 1: Share of people concerned about the impact of immigration on crime and jobs. Source: Pinotti (2016)

Why Should There be a link between Immigration and Crime?

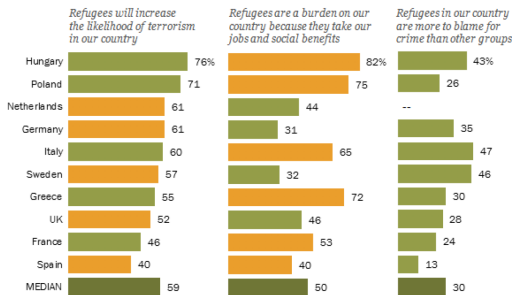
- Figure 2 show a similar picture with respect to refugees (although concern for terrorism, due to the country of origin of many refugees, say Syria, is also high)

Why Should There be a link between Immigration and Crime?

Figure 2: Share of respondents concerned about the impact of refugees on terrorism, jobs and crime and jobs. Source: Wike Et Al (2016)

Many Europeans concerned with security, economic repercussions of refugee crisis

Top choice



Note: Netherlands excluded on question about crime (Q51b) due to administrative error.

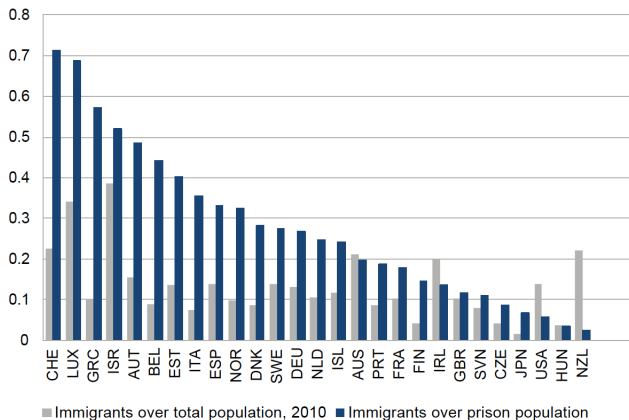
Source: Spring 2016 Global Attitudes Survey, Q51a-c.

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Why Should There be a link between Immigration and Crime?

- On the other hand, statistics show that immigrants are over-represented in the prisons' population, as Figure 3 from Pinotti (2016) shows.

Why Should There be a link between Immigration and Crime?



Why Should There be a link between Immigration and Crime?

- A piece of evidence such as the one in Figure 3 seems to justify the concern in the public opinion about the nexus immigration-crime.
- A caveat on numbers such as those in Figure 3 is that, as long as many foreign inmates are undocumented immigrants, they might appear over-represented in the prisons because for their legal status they do not have access to alternative forms of punishment (e.g. “arresti domiciliari” in Italy) (this increases the immigrants/prison population ratio).

Why Should There be a link between Immigration and Crime?

- In addition, in calculating the share of immigrants over the total population, this could actually be higher as many undocumented immigrants are not counted in the calculation of this ratio (immigrants are under-represented in the immigrants/population ratio).
- However, identifying a clear-cut result on the immigration-crime nexus is quite difficult.
- For example, in a survey on studies on the US, Ousey and Kubrin (2018) point out that it is far from clear that such a nexus exists.

Why Should There be a link between Immigration and Crime?

- In fact, existing studies differ in the period of observation, in the geo-spatial unit (a city, a country, etc), in the methodology adopted, etc.
- The survey of Ousey and Kubrin (2018) shows that, indeed, many studies do not find any effect of immigration on crime and some studies even find a positive effect, i.e. immigration is associated to a decrease in crime.
- So, why immigration should increase crime?

Why Should There be a link between Immigration and Crime?

- Ousey and Kubrin (2018, pp. 66-67) describe some sociological theories according to which immigration is expected to increase crime:
 - i) “One theory argues that immigration increases crime because it elevates the share of the population with a crime-prone demographic profile, such as the teenage and young adult years of the life course”;

Why There Should be a link between Immigration and Crime?

- ii) “Another argument, rooted in social disorganization theory, suggests that immigration is a powerful source of change that disrupts the social control of crime in communities ...
... by increasing the flow of ethnically diverse people into a community, immigration contributes to high rates of both residential instability and population heterogeneity ...
... Instability and heterogeneity, in turn, hinder the establishment of social ties and shared values, which are needed for effective informal social control of crime.”

Why Should There be a link between Immigration and Crime?

- iii) “Another group of theories argues that elevated crime rates occur because immigration increases economic deprivation and competition in local labor markets ... to the extent that immigration increases the share of low-skill workers in the United States, it may heighten competition for scarce jobs and raise unemployment and poverty levels for immigrants and nonimmigrants alike. These economic strains can increase intergroup conflict, produce alienation from mainstream society, and increase motivations for crime. ”
- iv) “A final argument is that immigration is associated with a proliferation of illegal drug market activity, which may increase other forms of criminality, including violence.”

Why Should There be a link between Immigration and Crime?

- Notice that, following these theoretical arguments, immigration can increase criminal activities of both the immigrants and the native population.
- On the other hand, there are theories suggesting that immigration should reduce crime.
- Ousey and Kubrin (2018, p. 67) list: i) “immigrants are a highly selective group of individuals with relatively high levels of initiative and achievement orientation and low levels of criminal propensity ... some immigrant groups have relatively high levels of education and professional experience. Thus, immigration may work to reduce, rather than increase, the share of the population with a high criminal propensity, thereby lowering crime.”

Why Should There be a link between Immigration and Crime?

- ii) “immigration results in a revitalization of local communities that contributes to lower crime rates ... immigrants bring business entrepreneurship that injects jobs and energy into local economies”
- These arguments connect well with the discussion on the economic effects of immigration: immigration can have positive and negative economic effects on different social groups in the destination country.
- As long as it has, for example, a positive effect on the overall economic activity (think of the immigration surplus), this can improve the economic conditions of the destination country (or of a specific area), thereby reducing the incentives to commit crimes of both the immigrants and the natives.

Why Should There be a link between Immigration and Crime?

- The economic theory of crime (Becker, 1968; Ehrlich, 1973) focuses on individual incentives to commit a crime.
- It suggests that the choice to engage in criminal activity, vis-a-vis the alternative choice of legal activities, is the result of a rational choice in which costs and benefits of the alternatives are evaluated.

Why Should There be a link between Immigration and Crime?

- A rational decision to commit a crime can be represented in a very similar fashion to the one we considered in the case of the decision to migrate.
- That is, the decision to commit a crime is taken when the indicator CR_i is positive, i.e. when:

$$CR_i = B_i - C_i = B_i - [C_{i_1} - pC_{i_2}] > 0 \quad (1)$$

where: B_i is the benefit from the criminal activity and C_i is the cost, which has two components: the value of a legal occupation (C_{i_1}), and the punishment inflicted by the State, (C_{i_2}), which also depends on p , the probability of punishment by the State, which depends on the effectiveness of the legal system.

Why Should There be a link between Immigration and Crime?

- In this light, we can explore two alternatives: i) the immigrant is a criminal before making the decision to migrate; ii) the immigrant becomes a criminal after s/he arrives in a destination country.
- Alternative i), according to which many of those who choose to emigrate are criminals, seems to be the view shared in much of the public discourse and may imply a perspective in which being a criminal is an exogenous individual trait, such as being blonde.

Why Should There be a link between Immigration and Crime?

- In other words, among the pool of individuals who choose to emigrate many of them have a particular skill: to commit crimes.
- Evidence on individual immigrants's crime records in origin countries is scant. More evidence exists on movements across borders of criminal organizations, i.e. of criminal groups that choose to move from a country of origin to a destination country.
- For example, Varese (2012) studies the activity of a Russian Mafia group in Italy, and reports such as DIA (2016) routinely describe the activities of foreign criminal organizations (Albanian, Nigerian, Romanian, etc.) on the Italian territory.

Why Should There be a link between Immigration and Crime?

- Assuming that the decision to be a criminal takes place before the decision to emigrate, the “criminal” evaluates the costs and benefits of being a criminal in the destination country, in a way not very different from the decision of, say, a computer scientist faced with a similar decision.
- Obviously, the relevant difference between a criminal and a computer scientist faced with the decision to emigrate is the (expected) punishment that the criminal needs to consider among the costs of the decision.

Why Should There be a link between Immigration and Crime?

- In this sense we can think that a criminal, when choosing where to emigrate (and keep carrying out his/her criminal activities) prefers, coeteris paribus, a country where the punishment or the probability to be punished is lower.
- For example, the working paper version of Varese (2012), reports a wiretapped claim by a Russian mobster: “Here [in Italy] you can do whatever you want, it is not Europe.”
- In the case of transplantation of criminal organizations in different countries, there is no doubt that this increases crime in the destination country, specifically crimes related to the activity of criminal organizations such as extortion (see, e.g. Buonanno and Pazzona, 2014)

Why Should There be a link between Immigration and Crime?

- In case ii) an immigrant makes the decision to engage in a criminal or in a legal activity after s/he arrived in a destination country.
- Formally, the problem is identical from the one described above, the only difference being the size of costs and benefits considered in the decision to commit a crime. For example, if an individual is a criminal before moving to another country, s/he can have higher benefits from committing a crime in the destination country because of her/his higher criminal skills.
- On the other hand, if an immigrant is a criminal in the country of origin s/he can still decide to choose a legal occupation in the destination country, given the costs and benefits of this choice.

Does a Causal Link Exist?

- In general, if we assume that the decision to commit crimes is endogenous, as the economic theory of crime suggests, the distinction between cases i) and ii) is not very appealing (excluding the case, perhaps, of the migration of criminal organizations).
- Recent economic literature has focused on a key aspect in the study of the crimes committed by the immigrants: their legal status in the destination country.
- In the light of the economic model of crime, immigrants' legal status is a crucial element that affects the opportunities in the (legal) labor market.

Does a Causal Link Exist?

- Undocumented immigrants, in fact, typically have much worse labor market opportunities than documented immigrants, and this increases the probability that they commit crimes.
- This is a relevant issue also because it directly addresses the immigration policies that destination countries may adopt.
- In particular, there appear significant differences between the number of crimes committed by documented and undocumented immigrants, as undocumented immigrants seem more prone to commit crimes than documented immigrants, as Figure 4 from Pinotti (2016) illustrates.

Does a Causal Link Exist?

Table 4 Residents and arrests, by citizenship and legal status (percentages)

	Natives	Immigrants		
		All	Legal	Illegal
Percentage of over total resident population	91	9	7	2
Percentage arrested for:				
Murder	67	33	10	23
Ratio over presence in the population	[0.7]	[3.7]	[1.5]	[11.4]
Assault	72	28	11	17
Ratio over presence in the population	[0.8]	[3.1]	[1.5]	[8.7]
Auto theft	66	59	7	27
Ratio over presence in the population	[0.7]	[6.6]	[1.0]	[13.3]
Burglaries	41	34	9	50
Ratio over presence in the population	[0.5]	[3.8]	[1.3]	[25.1]
Racketeering	74	26	8	18
Ratio over presence in the population	[0.8]	[2.9]	[1.2]	[8.8]

Source: Italian Ministry of Interior (2010), ISTAT and ISMU Foundation

Figure 4: Residents and arrests, by citizenship and legal status (percentages). Source: Pinotti (2016)

Does a Causal Link Exist?

- Figure 4 shows that the ratio of the percentage of various types of crimes committed by undocumented immigrant's crime on the percentage of undocumented immigrants in the population is often greater than 1, sometimes much greater.
- This points out that undocumented immigrants are over-represented in the "criminal population" for a selected list of crimes.
- The question that arises, therefore, is whether the legal status of undocumented immigrant has a causal effect on the propensity of committing a crime.

Does a Causal Link Exist?

- The alternative explanation would be that there are individual characteristics that affects the selection of an individual into being both an undocumented immigrant and a criminal. For example, undocumented immigrants are very often young, and being young can explain criminal behavior as young people are more prone to take risks. This raises identification issues described below.
- In terms of the simple economic model of Eq. (1), being undocumented implies not having access to a regular job, and therefore being relegated to the informal sector which typically implies lower wage, worse working conditions, etc.
- Being granted a legal status, therefore, implies for the immigrant an increase of the opportunity cost of a crime.

Does a Causal Link Exist?

- In fact, if committing a crime implies a punishment such as imprisonment, this would imply losing the regular job and therefore a higher cost for the documented immigrant of committing a crime.
- The empirical implication is therefore that we should observe a reduction of crimes when a regular status is granted to previously undocumented immigrants.
- Mastrobuoni and Pinotti (2015) study the case of the enlargement of European Union in 2007 to countries such as Romania and Bulgaria which followed by few months a collective pardon (“amnistia”), which released from Italian prisons approximately 8000 inmates, among which foreign inmates from Bulgaria and Romania.

Does a Causal Link Exist?

- This setting allows to treat the enlargement of the European Union as providing an exogenous variation in the legal status of those foreigners that, suddenly, saw their legal status to change from undocumented to documented. This helps to take into account the possibility of selection into the status of undocumented immigrant, and rules out its possible effects.
- Among the inmates released with the collective pardon, a certain number committed crimes after being released (and went back to prison)
- Mastrobuoni and Pinotti (2015) show that, released inmates from Bulgaria and Romania, when compared to released inmates from other countries, at that time candidates to enter the EU, such as Bosnia and Herzegovina, Croatia, Montenegro, etc., had much lower rates of recidivism.

Does a Causal Link Exist?

- In this setting, the inmates from Bulgaria and Romania are the treated group, while those from the EU candidate countries are the control group
- Pinotti (2017) extends this analysis to applicants for a permit on the “click day” of 2007.
- The Italian quota systems is based on awarding a permit of legal permanence of foreigners when “sponsored” by an employer.
- Ideally, this system should work for potential immigrants before they move to Italy. In practice, it is used by employers of undocumented immigrants already present on the territory

Does a Causal Link Exist?

- The procedure to apply for a permit is digitalized: on given “click days”, the employer may apply starting from a specified time, e.g. 8:00 AM.
- After the quota is reached, any application is rejected.
- Pinotti (2017) utilizes information on applicants that successfully submitted the application (and then obtained legal status), shortly before the threshold time at which the procedure was closed, to the one about the applicants who applied shortly after the threshold time.
- Given that applying a little before or after the threshold time (unknown at the beginning of the “click day”) basically depends on chance, this setting allows to treat granting a legal status as randomly allocated among applicants.

Does a Causal Link Exist?

- In this way, it is possible to estimate the causal effect of legal status on criminal behavior.
- In fact, Pinotti (2017) compares the criminal records of those who successfully applied to those who did not make it. Both groups had similar crime rates in the year before the click day, but those who obtained legal status significantly decreased the crime rate in the subsequent years.
- An essential element of the reasoning about the rational choice of committing a crime is given by the labor market opportunities of the immigrants.

Does a Causal Link Exist?

- The argument is that: the worse the labor market opportunities, the higher the probability that an immigrant commits crimes.
- This happens because the labor market opportunities represent the opportunity cost, i.e. the value of the legal alternative to a criminal activity. The lower this cost, the higher the probability of choosing criminal activities.
- In this sense, the analysis of criminal behavior of the immigrants is deeply connected to the labor market impact of the immigrants, including the aspect of assimilation.

Does a Causal Link Exist?

- For example, Bell et al. (2013) compare two waves of immigrants to the UK: an “asylum” wave, i.e. a wave of immigrants, mostly asylum seekers, coming from countries such as Iraq, Afghanistan and Somalia, entering the UK in the late 1990s/early 2000s, and a wave of immigrants, mostly from Eastern Europe, following the EU enlargement from 2004, coming from countries such as Poland, Hungary, Czech Republic, Slovakia, Slovenia, Latvia, Lithuania and Estonia (A8 wave).
- The asylum wave had characteristics that implied worse labor market outcomes in the UK, for example poor English and no qualifications, while the A8 wave, for example, had education levels comparable to the UK population.

Does a Causal Link Exist?

- Preliminary evidence presented by Bell et al. (2013) shows that the asylum wave experienced higher unemployment and much lower participation to the labor market, after arrival, than the A8 wave.
- The econometric analysis of Bell et al. (2013) shows that the asylum wave is associated to an increase in property crime, while none of the waves is associated to increases in violent crimes. The A8 wave, in particular, is associated to a decrease in property crime.

Does a Causal Link Exist?

- Identification issues are relevant in exercises like this.
- For example, if asylum seekers choose (voluntarily or by allocation by some authority) areas where crime rates are high (or rising), this can *bias* the estimation: i.e. an effect on crime can be wrongly attributed to the immigrants (Bell et al., 2013 take these aspects into account when carrying out their estimations)

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