

Introduction

International flows of people are a distinctive trait of our contemporary globalized world, as much as are international flows of goods, services, and ideas. Differently from the latter, however, migration faces a fierce opposition in most destination countries (Hatton and Williamson, 2005; Mayda, 2008). One reason for this may be that natives and immigrants compete for the same jobs and welfare programs. Indeed, foreign immigrants are sometimes blamed for hurting the labour market prospects of native workers – particularly the low-skilled ones – and for imposing an additional burden on welfare expenditure (Scheve and Slaughter, 2001; Mayda, 2006; Hanson et al., 2007; Facchini and Mayda, 2009; Ortega and Polavieja, 2012). In most countries, however, natives are far more concerned that immigrants increase crime, rather than unemployment or taxes. Indeed, fears of immigrants' involvement in crime are at the center of the public and political debate about immigration and have been a major reason for the rise of anti-immigrant parties in several European countries (Dinas and van Spanje, 2011).

Partly in response to such concerns, a large academic literature has examined the relationship between immigration and crime. Many researchers, most notably Sampson (2008), argue that there is, in fact, a US 'Latino Paradox', in that first-generation immigrants to the USA from Mexico appear to engage in crime at much lower rates than would be predicted based on their socio-economic status. Others, such as Shihadeh and Barranco (2010, 2013), argue that more recent waves of migrants from other parts of Latin America are less likely to be associated with crime reductions, and may even increase the crime rates of natives. Recently, Ousey and Kubrin (2018) conducted a review of

2 INTRODUCTION

more than 500 papers published between 1994 and 2014 in sociology, criminology, and political science that analysed the relationship between immigration and crime. In sharp contrast to public perception, Ousey and Kubrin conclude that higher rates of immigration are likely associated with slightly reduced rates of crime.

Butcher and Piehl (1998) provide the first systematic economic analysis of immigration and crime rates, showing that immigration did not lead to a significant increase in crime across US cities over the period 1980–90. Reid et al. (2005) and Wadsworth (2010) reached the same conclusion when looking at more recent periods. Moving to European countries, Bianchi et al. (2012) concluded that immigration did not increase crime across Italian provinces, while Alonso-Borrego et al. (2012) estimated a positive relationship between immigration and crime in Spain. Finally, Bell et al. (2013) focused on two large waves of recent UK immigration, namely the late 1990s/early 2000s asylum seekers and the post-2004 inflow from EU accession countries, respectively. They found that only in the former case was there a significant increase in (property) crimes.

This last result suggests that the propensity to engage in crime may vary strongly with social context and the composition of the immigrant population. Indeed, this is consistent with the choice-theoretic model of crime (Becker, 1968), which posits that individuals choose whether to engage in crime or not by comparing the relative costs and benefits of legitimate and illegitimate activities. The latter generally depend on several individual characteristics such as age, gender, education, etc., all of which could vary across different groups of immigrants just as they vary across other groups of people. However, immigrants differ among themselves along an additional, crucial dimension: legal status in their destination country. The focus of this book is to systematically explore how government policies that affect the legal status of immigrants influence the immigrant–crime relationship. From a practical perspective, politicians and policy-makers have, at best, only limited control over how many immigrants are in their country at a given time. What is under government

control, however, are the policies in place that affect how those immigrants will interact with society.

Legal status may profoundly affect criminal behaviour by changing the relative payoffs of legitimate and illegitimate activities. In most destination countries, legal status is a prerequisite for working in the official economy. Therefore, undocumented immigrants are excluded from legitimate economic activities or they may be able to work just in the shadow economy. In either case, they would face worse (legitimate) income opportunities compared to legal immigrants and thus a lower opportunity cost of crime.

In spite of the importance of the relationship between immigration police and crime for the debate on immigration reforms currently taking place in the USA as well as in many European countries, there is very little empirical evidence on this topic. One important reason is that it is generally very difficult to observe undocumented immigrants, not to mention their involvement in criminal activity.

In this book we address these issues for three main destination countries: Italy, the UK, and the USA. Chapter 1 motivates the analysis by presenting recent survey evidence on natives' attitudes toward immigrants in a number of countries in North America and Europe, as well as some stylized facts about immigrants' involvement in crime. In the majority of countries, natives are mostly concerned that immigrants – particularly the undocumented – increase crime rates, as opposed to unemployment or taxes. When moving from perceptions to criminal statistics, immigrants are over-represented among offenders in most, but not all, Organisation for Economic Co-operation and Development (OECD) countries. At the same time, the surge in immigration was *not* accompanied by an increase in crime rates over time and across countries. We discuss a potential explanation for this apparent puzzle as well as the limitations of cross-country estimates. In particular, average estimates across countries may mask a significant heterogeneity in the effect of different groups of immigrants, notably between documented and undocumented immigrants.

4 INTRODUCTION

These two groups differ mainly along two dimensions. First, undocumented immigrants cannot work in the official economy, thus facing worse employment and income opportunities. Second, they can be expelled and deported back to their home country. These provisions have important (and ambiguous) implications for the number of crimes committed in destination countries. On the one hand, undocumented immigrants who are not deported face a lower opportunity cost – and, thus, a higher probability of – committing crimes. On the other hand, undocumented immigrants who are actually deported would no longer commit crimes in the destination country, which mechanically reduces the crime rate of this group. From a theoretical perspective, the effect of legal status is thus ambiguous.

The main threat to estimating such effect is that, typically, legal and undocumented immigrants differ with respect to many other characteristics (in addition to legal status). In particular, the former group may have a lower probability of engaging in crime to start with – independently of the effect of legal status. Therefore, selection into legal status may bias the estimates towards finding a negative effect of legal status on crime.

An attempt to overcome these identification difficulties is proposed by Mastrobuoni and Pinotti (2015), who exploit a large-scale amnesty of prison inmates in Italy (in August 2006) and the last round of the EU enlargement (five months later, in January 2007) as a natural experiment to separately identify causality from selection. They show that the recidivism of citizens from newly admitted EU countries, who obtained legal status in all EU member countries (including Italy), decreased from 5.8 to 2.3 percentage points over a six-month period after the EU accession, as compared to no change in a control group of inmates from EU candidate member countries. This result suggests that access to legal status significantly reduced the propensity to engage in criminal behaviour, and that such effect prevailed over the potential increase in crime caused by the stop of deportations. However, it is unclear whether this conclusion can be generalized to the

entire immigrant population (as opposed to former prison inmates) and to differences in legal status that are routinely induced by migration policy (as opposed to one-off changes induced by the EU enlargement).

To answer these questions, in Chapter 2 we investigate the effect of changes in legal status induced by the current migration policy in Italy. In recent years, Italian migration policy has been based on a system of migration quotas by country of origin, type of permit, and province of destination. Such institutional framework is by no means specific to the Italian context, as analogous quota-based policies are currently adopted in many destination countries (e.g. Austria, Canada, and Spain). One peculiarity of the Italian system lies in the tight rationing of permits, as total quotas are always substantially lower than the number of applications for residence permits. Moreover, it is well understood that, in the Italian context, the quota system is used mainly to legalize undocumented workers already resident in the country rather than to regulate entries of new workers. These facts, in addition to a low enforcement of migration restrictions, have led to the formation of large pools of unauthorized entrants and to the recurrent need for generalized amnesties of illegal immigrants.

We exploit these features of Italian migration policy to estimate the effect of legal status on crime across Italian regions and provinces. We first take advantage of the electronic procedure to apply for residence permits, introduced in year 2007, to estimate the effect of legal status at the individual level. Starting in that year, applications must be sent electronically during given 'click days' of the year, and they are processed on a first-come, first-served basis until depletion of available quotas. Matching the administrative records of applicants with individual police files, we find that individuals whose applications are received just after the depletion of quotas (and are thus denied legal status) commit more serious crimes during the year after the amnesty compared to individuals whose applications are received just before the cutoff.

6 INTRODUCTION

We then estimate the relationship between changes in crime and the share of applicants obtaining legal status with the last four general amnesties (1991, 1995, 1998, and 2002). This analysis suggests that, in the year following an amnesty, regions in which a higher share of immigrants obtained legal status experience a greater decline in immigrant crime rates, relative to the other regions.

Overall, our findings suggest that access to legal status reduces the number of crimes committed by immigrants in Italy. Nevertheless, policies that grant legal status to undocumented workers who are already residing in the country can only be considered second-best policy interventions. Indeed, their short-term beneficial effect on crime may be completely offset by the expectation that similar policies will be implemented again in the future, which incentivises inflows of undocumented immigrants. Rather than *ex post* legalization of unauthorized immigrants, Italy could steer its migration policy towards creating better possibilities and incentives for legal entry into and legal participation in its labour market.

The limitations of Italian migration policy probably reflect, among other things, its limited experience as an immigration country. In Chapters 3 and 4, we focus respectively on the UK and the USA, which have a long tradition of immigration.

The UK is a major recipient of migrant inflows from both other European countries and the rest of the world. The UK started receiving large cohorts of foreign born workers in the 1960s–70s, and its immigrant population has grown considerably in recent years, particularly after the EU enlargements in 2004 and 2007. These sudden changes provide researchers with a very interesting setting in which to explore the immigration–crime link. In Chapter 3, we start by documenting recent developments in the British immigration policy, trends in numbers and flows of its immigrant population, and migrants' main nationalities and educational levels. We then describe recent changes in offending rate in the UK, distinguishing among different types of crimes and focusing on the evidence of immigrant involvement in criminal activities in the UK. As we discuss in the chapter, in spite of

an immigrant population that almost doubled in the last fifteen years, the crime rate kept declining over the same period of time.

After having discussed all this descriptive evidence, we address the following empirical question: Has the arrival of novel and large immigrant waves made the UK a more dangerous country in recent years? We answer this question by comparing aggregate trends in immigrant population and crime, by discussing judicial statistics, and by developing a novel econometric analysis of the impact of immigration on local crime rates. Far from uncovering a clear increase in local crime due to a higher presence for immigrants in the area, we generally find no significant effect, and some estimates point in the opposite direction, suggesting that immigrants on average are associated with lower crime rates. In further results, we investigate whether the relationship between crime and immigration residents has changed in response to the Great Recession. We find evidence consistent with a standard economic model of crime, whereby more offending is observed when economic conditions worsen.

In Chapter 4, we turn to the USA, where immigration and crime control are, for the most part, functions of different government bodies; immigration is regulated by the federal government, whereas most crime control is done by states. Despite this administrative separation, we document the extent to which immigration policy has historically reflected concerns about the criminal behaviour of potential immigrants, and has been designed to explicitly address fear of criminal aliens. We pay special attention to one of the larger historic shifts in immigration policy, the 1917 Literacy Act, which made literacy a requirement for adult men hoping to move to the USA. Using Census data on immigration dates, literacy, and incarceration status, we show that the enactment of the literacy test changed the composition of immigrants in a way that both increased human capital and also lowered the incarceration rate of immigrants. The combination of these two effects confirms the Italian experience of immigration and crime; in the same way that native residents with low levels of human capital are more likely to engage in crime,

8 INTRODUCTION

immigrants with skills that are rewarded in the legal labour market, in this case, reading ability, are less likely to offend. Finally, we also discuss new research assessing the impact of the 1986 Immigration Reform and Control Act (IRCA), a Reagan-era bill that conferred ‘amnesty’ on undocumented immigrants currently in the USA while attempting to limit the flow of future undocumented migrants into the country. Without taking a stand on the impact of IRCA on the flow of immigrants, our focus here is on the impact of policies that affected the ability of those immigrants to assimilate into US society, in particular the conferral of official ‘legal status’ and the restrictions on employing undocumented workers.

Finally, we discuss more recent research that takes a ‘sending country’ rather than ‘receiving country’ focus. Refugees from conflict-prone areas are entering developed countries in ever greater numbers. Whether our previous results generalize to these immigrants is our final research question. In Chapter 5, we examine the experience of countries in the EU, where the number of refugees almost doubled from 2014 to 2016, reaching 1.8 million. In spite of active and vocal public concern, we find no evidence of a link between refugees and crime.

This book is structured as follows. In Chapter 1, we report some evidence on perceptions about immigration and the involvement of immigrants in crime across several OECD countries, and we discuss the relationship between immigrant legal status and criminal behaviour. Then Chapters 2, 3, and 4 empirically investigate such relationship in Italy, the UK, and the USA, respectively. Chapter 5 takes a cross-country perspective to investigate the relationship between refugees and crime. Finally, we conclude with some remarks on what we learned.