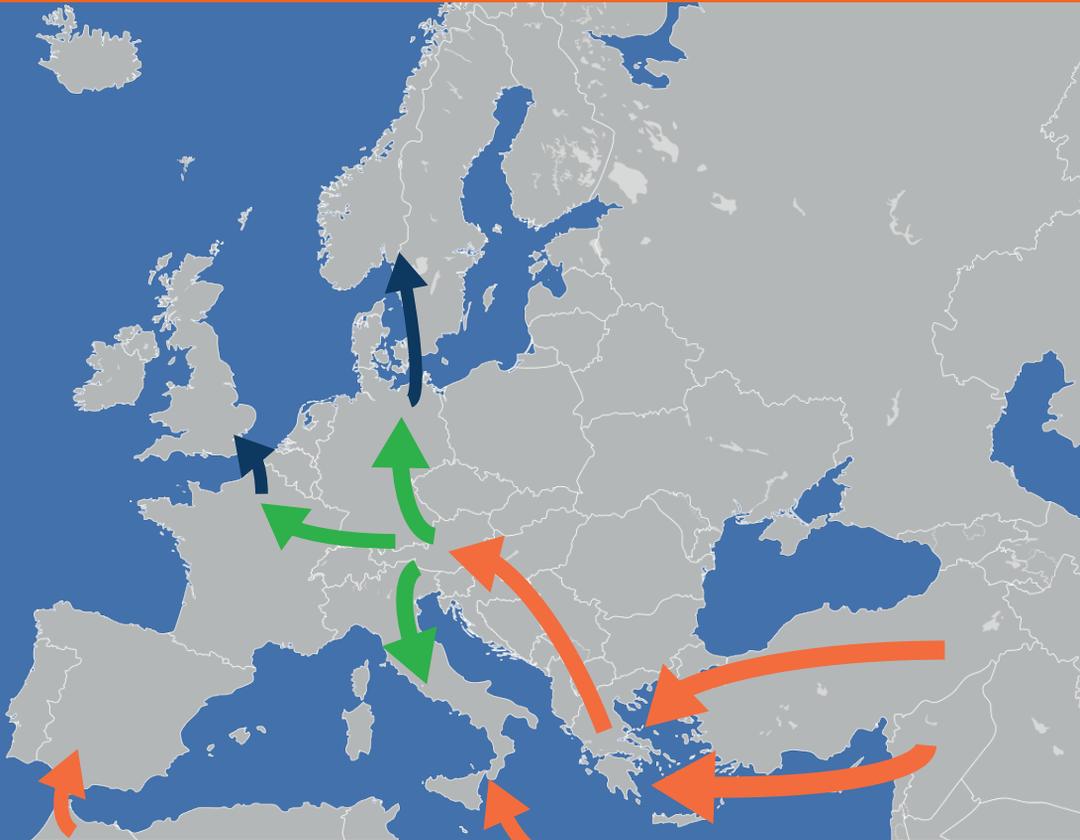# Refugees and Economic Migrants:

Facts, policies and challenges

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7 Immigrants and crime

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According to a survey conducted in 2009, the majority of Europeans believe that "immigrants increase crime"; in comparison, only one third are concerned that "immigrants take jobs away from the native born" (see Figure 1). However, the economics literature has focused almost exclusively on the labour market impacts of migration, largely neglecting its effects on crime. It is only very recently that a body of evidence has emerged regarding the relationship between immigration and crime. In this chapter, after a brief review of the theoretical underpinnings of this research agenda, I establish some empirical facts about immigrants' involvement in criminal behaviour, focusing in particular on the role of immigrants' legal status. I conclude with some implications for the current debate on refugee and asylum policy in Europe.

Figure 1   Share of people concerned about the impact of immigration on crime and jobs
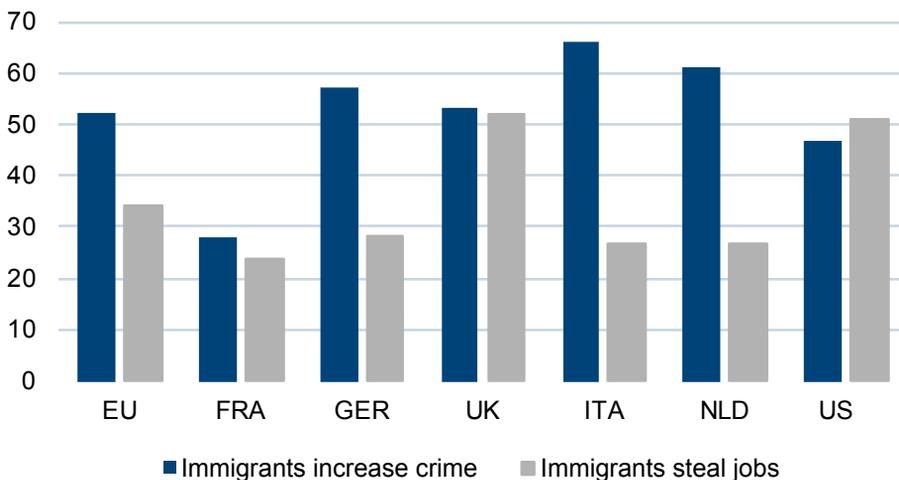
Source: Transatlantic Trends survey, 2009

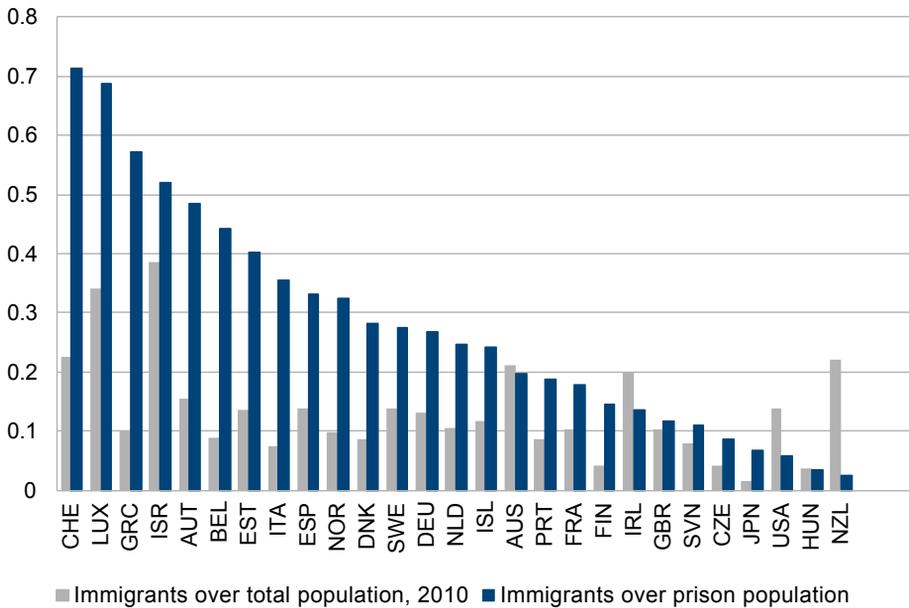## A Beckerian perspective on immigration and crime

In Becker's (1968) economic model of crime, the decision to engage in crime weighs the relative returns of licit and illicit activities. There are several reasons why such returns may differ between immigrants and natives. On the one hand, immigrants typically have lower income than natives, which should increase their propensity to engage in crime. This is particularly true for undocumented immigrants, who do not have access to employment in the official economy. On the other hand, immigrants may face additional sanctions in case of arrest. They may lose their work permit, for instance, and/or they can be expelled. In light of these (opposite) effects, it is unclear whether we should expect immigrants to have a higher or lower propensity to commit crimes – this is ultimately an empirical question.

Empirical fact 1: Immigrants are over-represented among prison inmates

Figure 2 compares the share of foreigners among prison inmates and among (official) residents in a number of destination countries.[1] In the greatest majority of destination countries – especially in continental Europe – immigrants are greatly over-represented among criminal offenders. For instance, in 2010 immigrants in Italy represented 35.6% of the prison population but just 7.4% of residents. By contrast, immigrants in the United States have a lower probability of being incarcerated compared to natives. A potential explanation for this fact is that the flexible labour market in the United States offers better employment opportunities to immigrants, lowering their propensity to engage in crime while at the same time increasing competition between native and immigrant workers. Although purely speculative, this explanation would also be consistent with the fact that the United States is the only country in which people are more worried about competition in the labour market than about crimes by immigrants (Figure 1).

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1   Data on official residents are from the OECD and refer to the year 2010; data on prison inmates are from the International Centre for Prison Studies (http://www.prisonstudies.org/) and refer to the last available year.

Figure 2   Percentage of foreigners over prison inmates and residents

However, drawing conclusions from incarceration rates may be problematic for at least two reasons. First, data on prison inmates count both legal and undocumented immigrants, whereas data on residents count only legal residents. Therefore, the comparison in Figure 2 understates the share of immigrants in the total population and thus overstates their probability of incarceration relative to natives. Second, conditional on having committed a crime, immigrants may be more likely than natives to be imprisoned. This is particularly true for undocumented immigrants, who may receive harsher prison sentences due to their illegal status and, in addition, do not have access to alternative measures to incarceration (e.g. home detention).

Empirical fact 2: Undocumented migrants have higher propensity to engage in crime

An official report by the Italian Ministry of Interior (2010) presents arrest data by citizenship and legal status. In particular, the report provides the percentage of legal and undocumented immigrants among individuals arrested by the police in 2009 for

having committed (different types of) crimes.[2] Table 1 reproduces this information, together with the relative size of the each group in the total resident population and, in square brackets, the ratio between the percentage among offenders and among total residents, respectively.[3]

Table 1   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

Immigrants are also over-represented among arrested individuals, although to a lesser extent than among prison inmates. However, the higher offending rate relative to natives is entirely due to undocumented immigrants. Compared to natives, undocumented immigrants are about ten times more likely to be arrested for violent crimes and racketeering, and 25 times more likely to be arrested for auto theft and burglary. By contrast, the offending rate of legal immigrants is much closer to that of natives – though still larger.

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2   Unfortunately, I could not find analogous information for other countries and years.

3   The share of undocumented immigrants is estimated by the ISMU Foundation (www.ismu.org).

The lower crime rate of legal immigrants is consistent with the predictions of the economic model of crime. By giving access to employment opportunities in the official economy, legal status increases the opportunity cost of committing crimes for legal immigrants, which in turn would reduce their propensity to engage in crime – a causal effect. However, the stark difference in criminal behaviour between legal and undocumented immigrants may also depend on differences in other determinants of criminal behaviour across the two groups. Specifically, undocumented immigrants are disproportionately male, young, single, and low-skilled compared to legal immigrants (e.g. Caponi and Plesca 2014, Mastrobuoni and Pinotti 2015). In light of these differences, undocumented immigrants should have a higher crime rate than legal immigrants to start with (i.e. independently of any effect of legal status) – a selection effect.

Distinguishing between causality and selection is crucial from a policy perspective. If legal status actually reduces immigrants' crime rate, restrictive migration policies – possibly motivated by crime concerns – could backfire, further increasing the crime rate of immigrants already present in the country. However, the evidence in Table 1 does not allow causality to be separately identified from selection. In order to do that, one needs a source of exogenous variation in legal status.

Empirical fact 3: Legal status reduces immigrants' crime

In August 2006, a collective clemency bill (*indulto*) released 25,000 inmates from Italian prisons, including 9,000 foreigners. Five months later, on 1 January 2007, Romania and Bulgaria entered the EU. As a consequence, their citizens obtained legal status in the rest of the EU.[4] In Mastrobuoni and Pinotti (2015), my co-author and I compare the recidivism of pardoned inmates from new EU member countries with a group of pardoned inmates (with comparable characteristics) from EU candidate member countries (Albania, Croatia, etc.). Figure 3 plots the hazard rate of re-incarceration of the two groups, before and after the enlargement. While both groups exhibit the same

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4 Some countries maintained limitations to work and residence permits, others – including Italy – granted free mobility to new EU citizens.

recidivism before the enlargement (5.7-5.8 over a five-month period), the recidivism of new EU citizens declines by about 50% over the following months. This effect is driven by economically motivated crimes (i.e. property crimes and drug-dealing) and it is stronger in northern Italian regions, which offer better employment opportunities to legal immigrants. Due to the similarity of the two groups before the enlargement, the decline in recidivism can be attributed to the causal effect of legal status, as opposed to other differences between the two groups.[5]

Figure 3   Recidivism of former prison inmates from new EU member and candidate member countries, before and after enlargement
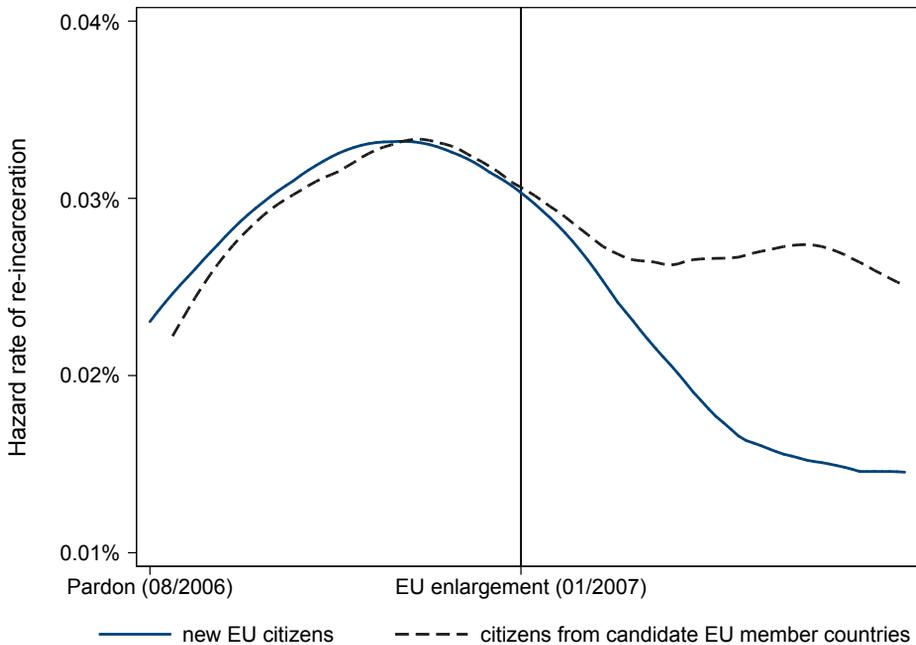
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5   As discussed before, the probability of re-incarceration (conditional on having committed a crime) would differ, in general, between legalised and non-legalised immigrants. In this particular case, however, pardoned prison inmates do not have access to alternative measures to incarceration.

The 2007 EU enlargement was clearly an exceptional event. In a subsequent paper (Pinotti 2016), I exploit exogenous variation in legal status routinely induced by Italian migration policy – fixed quotas of residence permits are available each year, applicants submit applications electronically on specific 'click days', and applications are processed on a first-come, first-served basis until the available quotas are exhausted. This mechanism generates a discontinuity in the probability of obtaining a residence permit between immigrants – already present in Italy – that applied just before and just after the cut-off. Comparing the criminal records of applicants in these two groups in the year before and after 'click days', I estimate a 50% reduction in the probability of committing crimes (on a baseline crime rate of 1%). The effect is driven primarily by a reduction in economically motivated crimes.

The results obtained exploiting these two natural experiments – the EU enlargement and a policy-induced rationing of residence permits – are very similar, even in terms of magnitude. They are also in line with the findings of other recent papers using aggregate data and exploiting generalised amnesties as a source of variation in legal status (Fasani 2016 on Italy; Freedman et al. 2013 and Baker 2015 on the United States).

Lessons for refugee and asylum policy in Europe

In most European countries, refugees and asylum seekers cannot access the labour market for a given period upon entry into the country. The rationale behind such ban, which reaches one year in France and the United Kingdom., is to discourage economic migrants from entering the country disguised as asylum seekers. In light of the evidence discussed above, however, such ban potentially increases the risk that asylum applicants turn to crime. Indeed, Bell et al. (2013) find that asylum-seeker inflows during the 1990s and 2000s caused an increase in property crime in the United Kingdom, whereas post-2004 inflows of economic migrants from EU accession countries had no significant impact on crime. Of course, asylum seekers and new EU citizens may differ on many dimensions. Still, this finding is in line with the evidence discussed above on the crucial role of legitimate income opportunities in immigrants' criminal behaviour. Therefore, the duration of employment bans should remain as short as possible. In addition, national

and EU policies should favour as much as possible the match between migrant workers and domestic employers. The social payoff of such policies may be considerable, even in terms of crime prevention.

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