XV European Conference of the Rodolfo Debenedetti Foundation

"Legal and Illegal Careers"

Panel Discussion

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General Comments

- Laudable efforts by two groups of researchers to use administrative data from Italy to study:
  - The link between legal immigration status and crime
  - The issues of criminal careers and recidivism

- The first report (Pinotti et al.) uses quasi-experimental data (amnesties and the like)
- The second report (Mastrobuoni et al.) uses prison and police data
  - Both reports make a number of valid and interesting points with important policy implications

Pinotti et al.'s report

- Fact:
    - Undocumented migrants commit more crimes than documented ones
- Why?
    - Negative selection
    - Causal effect of legal status

- Main conclusion of the report:
    - Legal migration status reduces crime
        - (at least in the short term, and at least in some "sectors")

Negative selection vs. causal effect

- Case 1: Undocumented migrants commit more crimes because they are inherently more prone to it (i.e., granting them legal status wouldn't do much)
- Case 2: Undocumented migrants commit more crimes because they have fewer (and worse) economic alternatives

- Vast policy consequences from concluding it's causality vs. negative selection.
  - Causality: Path to legalization
  - Negative selection: let's scrutinize people better at the border (i.e. refuse tourist visa to those we believe can overstay, etc.), better border protection, etc.

- Case 1 amounts to a relatively simple solution, case 2 requires vast (investigative) expenses.

Comments

- The main conclusion of the report is based on using three different samples/strategies, which is valuable
  - But the results vary quite widely across studies
    - In study I – elasticity is 0.03
    - In study II – elasticity is 0.3
    - In study III – elasticity is ???

- Comment 1: These are small numbers
  - It seems natural to weight benefits and costs of implicit proposed policy –Is it worth it from a welfare point of view?

- Comment 2: What do we make of this?
  - Local estimates? External validity?

What's the mechanism?

- Why does acquiring legal migration status reduce crime?
  a) Those who are granted legal status know they can lose it if they engage in criminal behavior?
  b) Is it because legal status gives the right to bring relatives (wife, kids, etc.) and this reduces potential delinquency?
  c) Is it because legal workers can now work at a higher wage and full time rather than sporadically?
  d) Or is it because they get access to the welfare system?
  e) Perhaps legality brings improvement in the work of police through better coordination, collaboration, reporting, etc. (while before legalization police was seen as "the enemy")?

- Policy implications depend on the "mechanism" behind the numbers that is uncovered
  ◦ For example, in case e) we could offer "prizes" and anonymity

- I wish more light were shed on it
  ◦ Direct survey questions (maybe financed by fRDB?)

Notable facts I wish had attracted more attention in the report (i.e., what I learned…)

1. Perception of immigrants as criminals vs. reality
   - What shapes this? Media? (Extreme) political parties? Innate racism? Cultural bias?
   - A "law of small numbers" – It suffices just one heinous crime committed by immigrants (and widely reported by the media) to shift public sentiment, which is then hard to change or revise
   - Policy follows public views

2. A lot of crime victims are immigrants
   - Almost 1/3 of sexual violence against women are against immigrants
   - (…and these are very likely to be severely under-reported)
   - Are crime trends robust to eliminating crimes *against* immigrants?

3. 1/3 to 1/2 of people entering Italian jails are foreigners (yet they represent only about 7% of the resident population)

Strategies 1 and 2 use geographical variation within Italy

- Do transitions across regions following legalization matter?
  - Suppose there are good and bad apples
  - If I am illegal, I decide to live & work in Naples where enforcement is poor and the underground economy more developed
  - Upon legalization, good apples move to northern regions where employment opportunities are better and deportation is no longer feared – bad apples (and natives) stay put

- Does it matter for the regression results?
  - Threat to identification in a DD context?
  - Here should be natural to think about it given the nature of the problem and the vast heterogeneity across Italian regions/provinces
  - One might see a decline in crime rates in Northern regions simply because the good apples move there and "dilute" crime rates; in the (bad) Southern regions, crime rates are stable or even rising because now there's only bad apples left.
  - This appears roughly consistent with evidence (e.g., Fig. 21).
  - The fact that the effect becomes visible one year after the amnesty is consistent with this, as (domestic) migration decision may take some time.

Click days

- Identification of effects off the click days RD design rests on the idea that "People cannot manipulate" side of the threshold.
  - Locally, I agree
  - Globally, there may some interpretative issues
    - People at the RD have chosen to submit an application after the 8:00am starting point
    - Knowing that there is a quota, and that is a first come-first served allocation – who does not do it at 8:00 am?
    - Selection on unobservables: Risk loving behavior, Laziness, Ignorance, Recklessness, etc.
    - The experiment looks at the effect of legalization on individuals who have sufficiently high realizations of these unobservables
      - Perhaps the population of interest because these are traits we might associate with criminal attitudes
      - But perhaps overstates true effect?
        - Consider extreme case in which the legal status effect is only operative at high values of the unobservables

- What to do with those turned down simply because a quota was filled?
  - Pinotti et al.'s report suggests that a fraction of them would turn to crime
    - They may indeed become cheap labor for organized crime
  - Options:
    - Give them priority on next year's permit lists (i.e., build expectations of legalization) as long as they maintain a clean record?
    - Give them temporary work permits (as a function of time spent in the country, etc.) and the possibility to re-unite with families?
    - Deport them (harsh…)?

Mastrobuoni and Owen's report

- One of their main conclusions: Inverse U-shaped effect of sentence length on recidivism
  - "Young" offenders more likely to recidivate than "older" offenders if given a lengthy sentence
  - Interpretation: "Crime school"

Alternative interpretation

- A lot of criminals are not that smart!
  - Although they think they are…

- Learning story:
  - Young guys think the first time is just bad luck
  - Older guys understand there's no such a thing as *persistent* bad luck

What would make their interpretation stronger?

- Let me take their analogy to the functioning of the legal labor market

- "Learning" and "on-the-job training" works if you are surrounded by someone who teaches you the stuff

- I've never been to prison…
  - But I assume people share a cell with other individuals
  - …and that's where they spend most of their day?
  - Is there evidence that recidivism in robbery, say, is stronger if I've shared a cell with more experienced robbers?
  - Is there evidence that transitions from crime x to crime y is stronger if I've shared a cell with more experienced y-type criminal?

Policy implications?

- If this was confirmed, there would be room to make some obvious interventions to minimize the "crime school" effects
  - Don't give young criminals time to train "on-the-job"
  - Change cell compositions often
  - Mix them
  - Move people across detention centers
    - Run some "experiments" in cell mixing or "treatment" – most likely ethically unfeasible

- If not confirmed, we are left with a puzzle.

More generally

- The report uses primarily "conditions before imprisonment", but "conditions during imprisonment" also matter for its main conclusion ("crime school") to be warranted

- Whatever happened to the primary scope of imprisonment and what some believe the main deterrent of recidivism?
  - "Re-education"?

- What do people do in prison to implement that goal? Are they learning "legal" skills that may be useful when they transitions to life after prison? What are their work opportunities after they leave prison?

Other points - 1

- ## The study focuses on Milan
  - ◦ External validity?
    - There is an enormous heterogeneity across cities in Italy with regard to levels and trends in crime over the last thirty years
    - How much heterogeneity in prison management? Police work? Enforcement? Criminal networks/organized crime?
    - Hence – not clear that strong policy conclusions reached for Milan would replicate neatly for Naples, or Rome, etc.

Other points - 2

- I was fascinated by the "commuting criminals" hypothesis
  - But is it really about commuting criminals?
  - Or is it just the expression that criminal activities in Milan are increasingly being captured by organized crime moving in from Sicily (Mafia) and Campania (Camorra)?

Conclusions

- Can we reduce the number of inmates not only without worsening crime rates but even by contributing in disrupting criminal careers?

- It is tempting (and liberating) to say "Yes" – but I think it is at least premature
  - We need more information on prison dynamics to verify that the mechanism at work is the one described in the report
  - We need more information on whether the Milan experience can be replicated elsewhere