



America's deadly export: Evidence from cross-country panel data of deportation and homicide rates



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ABSTRACT

Changes in US Immigration laws between the mid-1980s to the late 1990s led to a sharp increase in criminal deportations. During the same years many poor countries, especially in Latin America and the Caribbean, experienced a sharp increase in homicides. Using panel data for a sample of 38 developed and developing countries, I find a statistically significantly positive relationship between an increase in the number of criminal deportees received by a country and a corresponding increase in that country's homicide rate, and I establish causality through instrumental variables. My analysis suggests that about 23 percent of the increase in the homicide rate in developing countries between 1985 and 1996 can be attributed to the increase in the inflow of criminal deportees from the United States.

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1. Introduction

Between the mid 1980s and late 1990s, violent crime rates in poor countries across Latin America and the Caribbean increased by more than 50 percent. In countries such as Colombia, El Salvador, Guatemala, Honduras, Jamaica, and Trinidad and Tobago, the murder rate more than tripled in about the same period. The increase in crime threatens social stability and is becoming a major obstacle to development in many poor countries. A number of studies have shown that there exist a strong negative relationship between crime and economic development, with some arguing that high crime rates cause low development.¹ Evidence shows that crime and violence consistently undermines development efforts at various levels and that it drives the depreciation of physical, human, and social capital. Most importantly, crime and violence have a deep negative impact on the well-being of individuals and societies. Therefore, the strong negative association between crime and economic development and social welfare has sparked our interest in analyzing the causes and effects of crime in poor countries.

A major problem associated with interpreting the empirical relationship between crime and economic development concerns the direction of causation. To the extent that measures of economic development, such as, increase in real per capita income and increase in real GNP are correlated with crime, low development may in turn contribute to observe crime. Moreover, crime itself may impede economic development, as well as, the possibility of a third factor contributing to both rising crime rates and low development. A natural experiment would be a good way to overcome this problem. To be more precise, it would be useful to identify some event that causes *exogenous* variations in crime rates across countries, especially developing countries. The instrument identified from this natural experiment may provide a plausible exogenous source of variation in crime rates and could be used to study the effects of crime in poor countries. Estimated effects of crime on development using this instrument would enable us to make strong and straightforward policy conclusions, such as, the abandonment of the activity that is contributing to the increase in crime rates across developing countries.

In this paper I show the existence of an exogenous factor that has increased crime in many poor countries, and which could be easily discontinued. In 1986, the US adopted legislation that changed US treatment of foreigners convicted of crimes in the US. While criminal activity has always been a basis for deportation of an individual, it was mostly a discretionary action based on the severity of the crime and the length of the prison sentence. Hence, before 1986, the majority of foreigners convicted of crimes in the US were held

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¹ See Ayers (1998), Moser and Van Bronkhorst (1999), and Morrison, Buvinic, and Shifter (2003, chap. 5).

in US prisons. Starting in 1986, with the change of criminal deportation from a discretionary to an obligatory action, all foreigners convicted of crimes were deported to their home countries. The terms of the deportation specified that they – including those convicted of *violent* crimes – were not to be incarcerated at home. Thus criminal deportees generally arrive as free citizens in their home countries, usually with little or no money, and with no prospects of work because they are often stigmatized in the legal labor market.

Various studies have shown that a person's propensity for criminal behavior increases as wages and the probability of finding legal employment fall.² Contagion models of crime suggest that the behavior of criminal deportees may also substantially affect the behavior of non-deportees. Case and Katz (1991) find that a person's propensity to commit crime rises when his peers are also engaged in criminal activities. Glaeser, Sacerdote, and Scheinkman (1996) explain the very high variance of crime rates across US cities through a model in which agents propensity to engage in crime is influenced by neighbor's choices. In his analysis of the escalation of violent crime in Colombia during the 1980s and 1990s, Gaviria (2000) develops several models that isolate different types of externalities among criminals, which support the hypothesis that an inflow of criminal deportees contributes to a country's crime rate. It is important to note that the US legislation was a response to events in the US and not events in the receiving countries. Also important, is the fact that some countries received more deportees (measured as a fraction of home population) than others.

I address the issue of some countries receiving more deportees than others by examining the determinants of relative criminal deportee reception rate across poor countries. The aim is to demonstrate that deportation reception rates varied across receiving countries, for reasons that were exogenous to conditions in those countries, such as geographic distance from the US. I further examine the effects of differences across countries in deportation rates on crime rates in receiving countries by focusing on homicides, because there is comparatively less underreporting for homicides than for other crimes.³ The analysis will indicate that after the US began deporting criminal, homicide rates increased in the countries that received more criminal deportees for the exogenous reasons discussed. Thus, an exogenous factor that affects crime rates in poor countries is distinctly identified. Also, a straight forward policy conclusion is for the US to either cease to deport foreign criminals or allow them to be incarcerated in their home countries. This would effectively reduce crime in neighboring countries, thereby, spurring economic development and improving social welfare.

The remainder of this paper is organized as follows. In Section 2, I provide a brief overview of the changes in US deportations after 1985 and the recent increase in crime in Central America and the Caribbean. I introduce my data in Section 3, and discuss the estimation technique and the results of OLS and GMM estimation in Section 4. In Section 5, I establish a causal relationship between the deportation of criminals from the US and the homicide rates in the receiving countries. I first present evidence that the changes in US deportations occurred in response to changed US legislation since 1986, rather than as a result of an increased inflow of criminals. I then identify several determinants of the deportation rate that do not directly affect homicide rates in the receiving countries, and which can therefore serve as instruments for the

Table 1

Deportation of criminal foreigners by leading crime category: 2004.

Crime category	Number removed	Percent of total
Total	88,897	100
Drug-related crime	33,367	37.5
Immigration	14,929	16.8
Assault	9259	10.4
Burglary	3335	3.8
Robbery	2855	3.2
Larceny	2718	3.1
Sexual assault	2716	3.1
Murder	2708	3
Family offenses	2442	2.7
Sex offenses	1959	2.2
Stolen vehicles	1773	2
Other	10,816	12.2

Source: U.S. Department of Homeland Security, DACS.

deportation rate. In all analyses throughout the paper, I find a positive and statistically significant relationship between an increase in the number of criminal deportees and the growth in homicide rates in the receiving countries. The magnitude of this relationship is reasonably stable across model specifications, suggesting that a 1 percentage point increase in the number of criminal deportees per capita leads to a 4–8 percent increase in the homicide rate in the receiving country, or that about 23 percent of the increase in intentional homicides between 1985 and 1996 can be attributed to the increase in the criminal deportation rate.⁴

2. Overview of US deportations and crime in Central America and the Caribbean

In the mid 1980s, the US began to enact legislation that facilitates the speedy deportation of foreign criminal offenders. The new legislation has led to increased deportation of non-citizens to other countries, mostly to countries in Latin America and the Caribbean. In 2004, the US Department of Homeland Security (DHS) undertook immigration enforcement actions involving 87,669 non-citizens, which include the arrest, detention, and removal from the United States of non-citizens who are in violation of the Immigration and Nationality Act (INA). These violations include attempting illegal entry into the US, entering the US legally but subsequently losing legal status, and engaging in terrorist activity, violent crime, drug smuggling, and document fraud.

Table 1 shows the number of persons deported for different crimes in 2004.⁵ About one-third of all deported persons were charged with drug-related offenses, followed by immigration offenses, assault/wounding, and burglary. Roughly 3 percent were deported for robbery, larceny, sexual assault, and murder. Table 2 shows the relative size of the deportee population to the domestic prison population for the Latin American and Caribbean countries for the year 2004. For example, the inflow of criminal deportees into Jamaica was equivalent to releasing 42 percent of the prison population into the society that year. Similarly the number of criminal deportees into Mexico was equal to 32 percent of Mexico's prison population, and the inflow of criminal deportees in Guatemala, Guyana, Honduras, and El Salvador exceeded 20 percent of their respective prison populations. Thus in many of the receiving countries, incoming criminal deportees are as large a

² See for example Raphael and Winter-Ember (2001), Gould, Weinberg, and Mustard (2002), and Burdett, Lagos, and Wright (2003).

³ Underreporting is widespread in countries with low quality policing and judicial systems and with poorly educated populations. Soares (2004) finds that official sources in countries with low institutional development tend to underreport crime data. He also finds that underreporting is most pronounced for crimes carrying a social stigma for the victim and for low-value property crime.

⁴ My estimate indicates that 15 percent of the increase in intentional homicides after 1996 can be attributed to the increase in the criminal deportation rate.

⁵ Criminal deportations from the US are distinct from deportations for simple immigration violations like entering the country without a visa or permit. However, the ranks of criminal deportees do include those deported for crimes that are related to immigration, for example, smuggling or aiding illegal entry.

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