Refugee Admissions and Public Safety:
Are Refugee Settlement Areas More Prone to Crime?

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Introduction

- According to the United Nations High Commissioner for Refugees (UNHCR), **refugees worldwide rose to 21.3 million in 2015.**

- The war in Syria has resulted in 4.6 million refugees and 6.6 million internally displaced individuals.

- These numbers are the largest in decades and have resulted in controversy regarding the implications for refugee-receiving countries (Del Carpio and Wagner 2015).

Source: Center for American Progress: "The Jouriyeh family"

Introduction – Cont'd

Refugee/Population
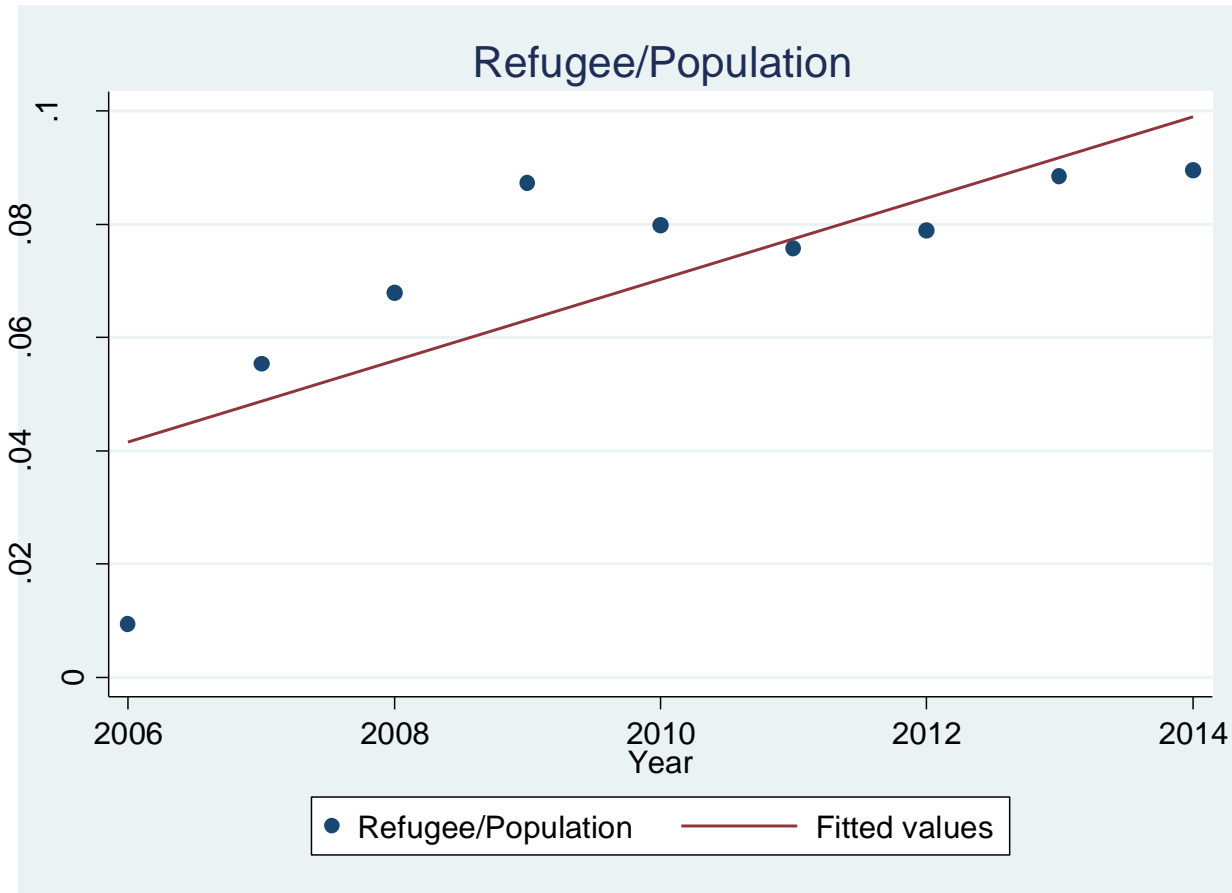
- In recent years, the U.S. has played an important role in accommodating refugees.

- Yet, despite having the largest refugee resettlement program in the world, the U.S. takes in very few refugees relative to its population. **In 2014, they represented 0.08% of its population.**

- Comparable figures for other countries are 20.5% in Lebanon, 8.8% in Jordan, 2% in Turkey, 1.5% in Sweden and 0.9% in Norway.

Motivation

- **In 2016**, the situation became untenable. President Obama raised annual admissions to 110,000 for 2017 –a 60% increase over 2015. By the end of 2016, the U.S. had resettled 84,955 refugees.

- **With the change in administration in 2017**, the admittance policy for refugees changed:
  - President Trump's initial executive order: *Protecting the Nation from Terrorist Attacks by Foreign Nationals,* mandated a 120-day suspension the U.S. refugee program, along with a 90-day ban for admissions from countries thought to be a risk for public safety: Iran, Iraq, Libya, Somalia, Sudan, Syria, and Yemen (Davis, 2017; National Public Radio, 2017).
  - In addition, the refugee admission ceiling was cut to 50,000.

- The competing visions of the Obama and Trump presidencies have **raised some questions**:
  1. Should the U.S. step up, maintain, restructure or close the refugee program?
  2. The main point of contention is with respect to their link to public safety, *e.g.* in Nov. 2015, 31 U.S. governors were opposed to settling Syrian refugees in their states.

Purpose of this Study

Sources: Newsweek

- **To assess the link between U.S. refugee settlements and crime.**

Sources: WNEP.com

Related Literature

- **In the U.K.:**
  - Bell, Fasani and Machin (2013) explore if crime rates are related to asylee inflows. Violent crime is unaffected by asylum inflows, but there is a slight upward nudge to property crime.
- **In Italy:**
  - Bianchi, Buonno and Pirotti (2012) detect no rise in the overall crime rate following immigrant inflows in Italy.
  - Mastrobuoni and Pinotti (2015) analyze the impact of legal status on criminal activity. They find that legal immigrants, with access to better jobs, experience lower recidivism rates.
  - Pinotti (2017) shows that the crime rate is cut in half among legalized immigrants in Italy.
  - => Given the legal status of refugees, these analyses point to the possibility that crime rates might be lower in areas with a higher concentration of refugees.

Related Literature – Cont'd

- **In the U.S.:**
  - Likewise, Butcher and Piehl (1998) conclude that immigrants' propensity to commit crimes is lower than that of natives.
  - Spenkuch (2013) concludes that immigration has a small positive impact on property crime, but none on violent crime.
  - Aaron Chalfin (2014, 2015) claims that there is little to no evidence linking immigration to crime. If anything, Mexican immigration might have led to reductions in crime rates.
- **Our research also relates to work on how refugees assimilate into labor markets:**
  - Dustmann *et al*. (2016), among others in Europe, find that the refugee-native employment gap starts large, is cut in half after one decade, and is almost non-existent after 25 years.
  - In the U.S., Giri (2016) finds something similar for younger refugees.

The U.S. Refugee Program

1. **Migrants have to fit the refugee definition in sec. 101(a)(42) of the Immigration and Nationality Act:**
   - The individual cannot return to their country of nationality due to a well-founded fear of persecution because of their religion, race, political opinion or membership in a social group.
   - They must be outside their country of nationality when they apply for refugee status, and
   - They must have been referred to the U.S. program –generally, by the UNHCR (Mossad, 2016).

2. This triggers a lengthy process (18 to 24 months) involving **interviews to determine eligibility and stringent security checks**.

3. Once deemed eligible for admission, **the USCIS refers them to one of nine resettlement agencies** (*e.g.* U.S. Conference of Catholic Bishops), **which work with affiliates to place refugees**:
   - The location is based on that of family members and refugees that speak the same language. Other times, they might be intentionally placed in specific counties that 'request' refugees.
   - The Office of Refugee Resettlement works with local agencies to provide services, *e.g.* language instruction, job training, job placement services, housing and health care.

Conceptual Framework

Models of criminal behavior predict that the decision to commit crime is a function of economic opportunities or lack thereof (*e.g.* Becker 1968, Ehrlich 1973). Individuals rationally decide how to allocate their time between legal and illegal activities and choose criminal activities if:

$$[(1-p)*U(Wc) - p*U(S)] > U(W)$$

- $U(Wc)$ = utility of criminal earnings,
- p = probability of getting caught engaging in said activities,
- S = sanctions imposed if arrested, and
- W = ongoing market wage.

In particular, because refugees immediately have access to a number of resources upon arrival, their payoff to criminal activities is likely to be lower than that of non-refugees:

$$\{[(1-p)*U(Wcr) - p*U(S_r)] > U(W_r)\} < \{[(1-p)*U(Wcn) - p*U(S_n)] > U(W_n)\}$$

Hypothesis: Relative to non-refugees, **refugees display a *lower* tendency of getting involved in criminal activities** => They face a *higher cost* of being caught given the benefits they receive, the lengthy vetting process they have to endure and their inability to return home.

Data Sources

1. **County-level data from the Refugee Processing Center in the Bureau of Population, Refugees and Migration at the Department of State** from 2006 through 2014, and

2. **Crime report data collected from the Uniform Crime Reporting Program** (UCR), administered by the FBI and nationally representative of arrest counts, for the 2006-2014 period.

3. **County-level characteristics:**
   - Unemployment rates from BLS.
   - Poverty rates from the Census Bureau.

All 3 datasets are merged by (county, year) to assess if refugee settlements affect local crime rates.

Refugee Locations
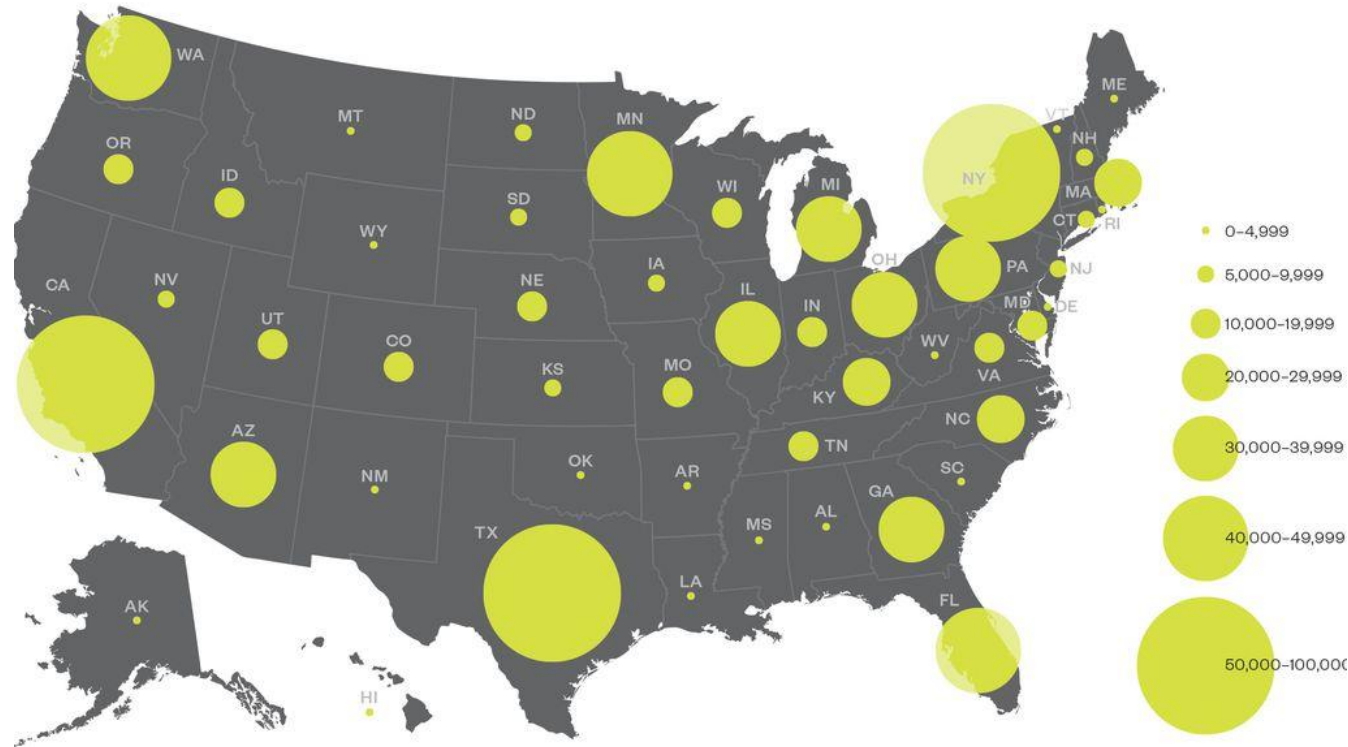
- Largest refugee receiving states: **Texas, California, Arizona, and New York** – over half of the refugees placed between 2006 and 2014 resided in these four states.

- The top 5 counties: San Diego County (CA), Maricopa County (AZ), Fort Bend County (TX), Los Angeles County (CA), and Denver County (CO).

Source: Hussein (2017). Available at: http://www.smithsonianmag.com/history/by-numbers-united-states-refugees-180962487/

Descriptive Statistics

| Variable Names	All U.S. Counties		Counties with Small Refugee Populations		Counties with Large Refugee Populations	
	Mean	S.D.	Mean	S.D.	Mean	S.D.
Crime Rate per 1,000	5.3190	3.7150	5.2360	3.6930	7.1700	3.7240
Violent Crime Rate per 1,000	1.2330	1.1310	1.2150	1.1190	1.6330	1.2930
Property Crime Rate per 1,000	4.0850	3.0510	4.0200	3.0400	5.5370	2.9280
Refugees per 1,000	0.0810	0.6630	0.0060	0.0260	1.7520	2.7020
Poverty Growth Rate	0.0180	0.1090	0.0170	0.1090	0.0240	0.1070
Unemployment Growth Rate	0.0520	0.2580	0.0520	0.2580	0.0490	0.2460
Observations	23, 555		22,543		1,012	

Notes: Counties are classified as 'large' vs. 'small' refugee recipients depending on whether the refugees per 1,000 is above or below the mean for all U.S. counties.

Trends in Crime Rates in Counties with a Small versus Large Refugee Population

- Faster declines in crime in counties with a higher concentration of refugees than among their counterparts with fewer refugees.
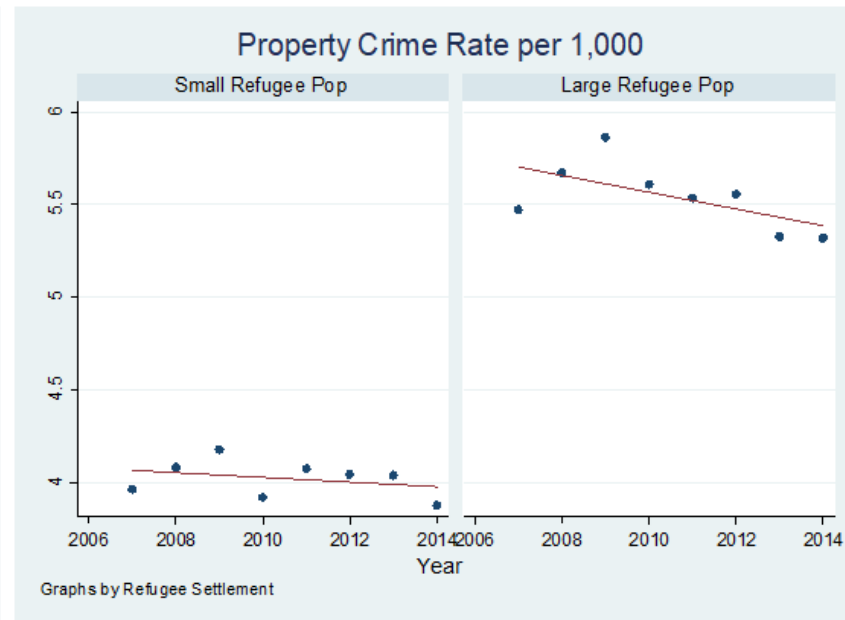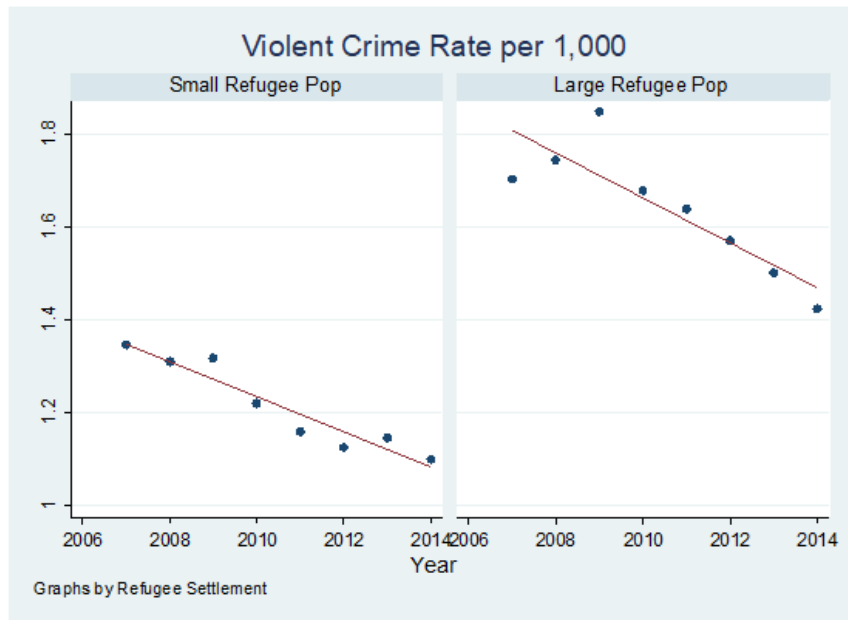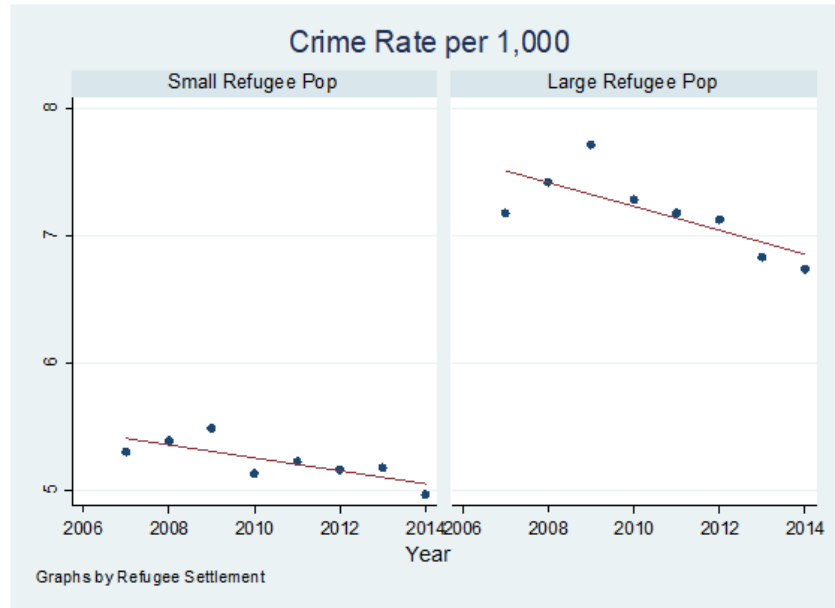
Crime Rates by Refugee Concentration
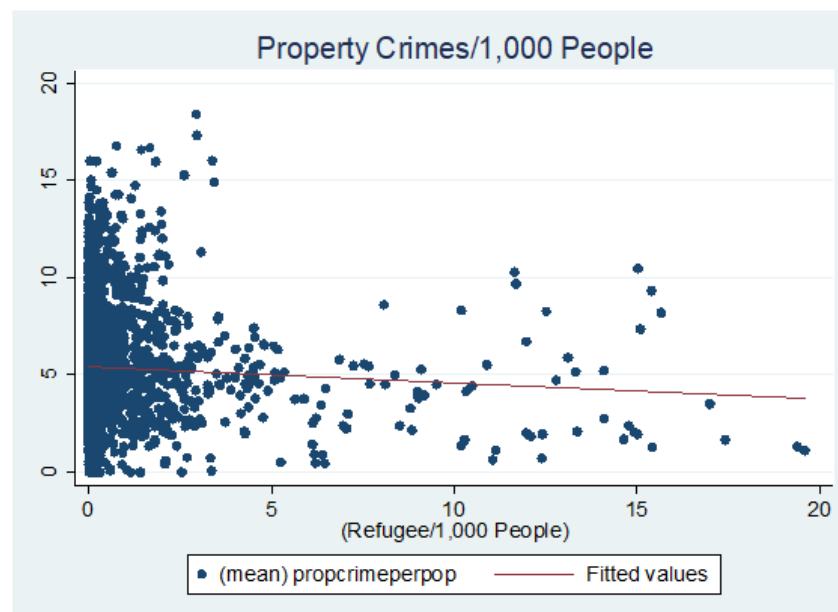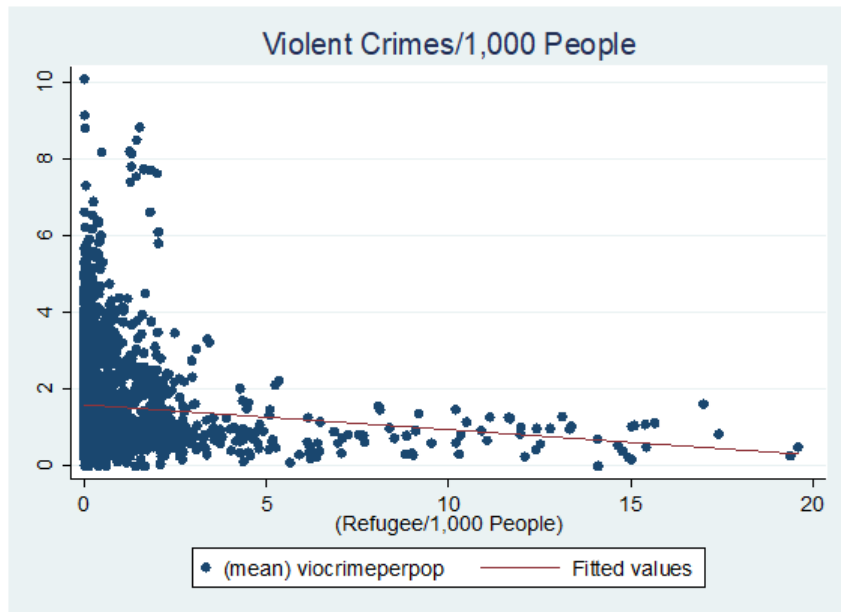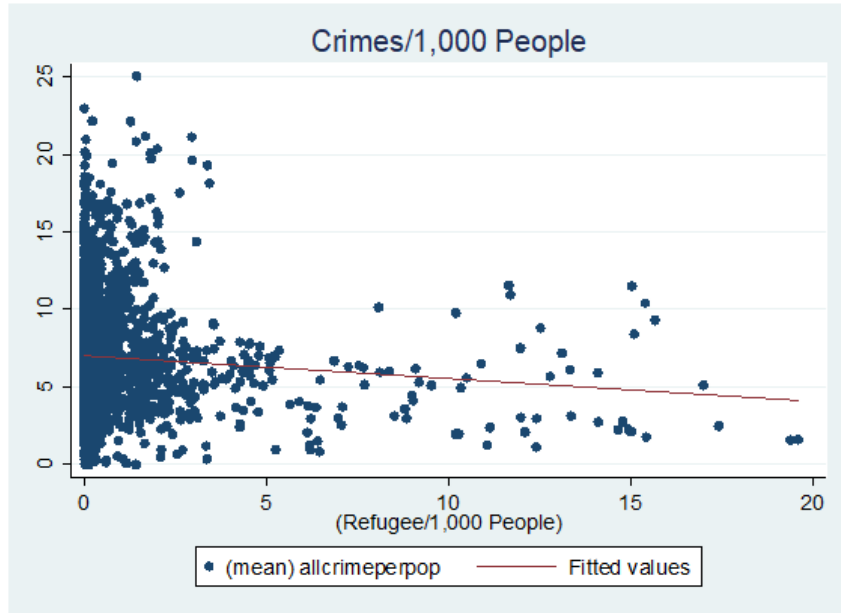
- If anything, there seems to be a negative relationship between crime rates and refugee concentration.

Methodology

We estimate the following benchmark model:

$$Y_{ct} = \alpha + \beta R_{ct} + X_{ct}\gamma + \theta_c + \vartheta_t + \varepsilon_{ct}$$

- Y_{ct} = arrests for **all**, **violent** and **property crimes** per 1,000 people in county c and year t.

- R_{ct} = refugees per 1,000 people in county c in year t.

- X_{ct} includes aggregate county traits reflective of economic need and, in turn, returns to illicit activity, such as poverty and unemployment growth rates.

- θ_c = county FE to capture traits such as a traditionally more heavily policed and/or tougher county.

- ϑ_t = year FE to capture macroeconomics shocks, *e.g.* GR.

Crime Rates and the Refugee Population – OLS

Variable Names	All Crimes		Violent Crimes		Property Crimes	
	Baseline	**Plus County Controls**	**Baseline**	**Plus County Controls**	**Baseline**	**Plus County Controls**
(Refugee/1,000 people)	0.003	**0.001**	0.028**	**0.028**	-0.025	**-0.027**
	(0.027)	**(0.027)**	(0.011)	**(0.011)**	(0.025)	**(0.025)**
			↑0.18% or 0.24 crimes per 100,000 per additional 8 refugees.			
Poverty Growth Rates		0.112		0.018		0.091
		(0.087)		(0.037)		(0.073)
Unemployment Growth Rates		0.288***		0.036		0.252***
		(0.097)		(0.051)		(0.075)
County Fixed-Effects	Y	Y	Y	Y	Y	Y
Year Fixed-Effects	Y	Y	Y	Y	Y	Y
Observations	23,555	23,555	23,555	23,555	23,555	23,555
Number of Clusters	2,969	2,969	2,969	2,969	2,969	2,969
Adjusted R-squared	0.841	0.841	0.719	0.719	0.843	0.843

Violent crimes and refugee shares
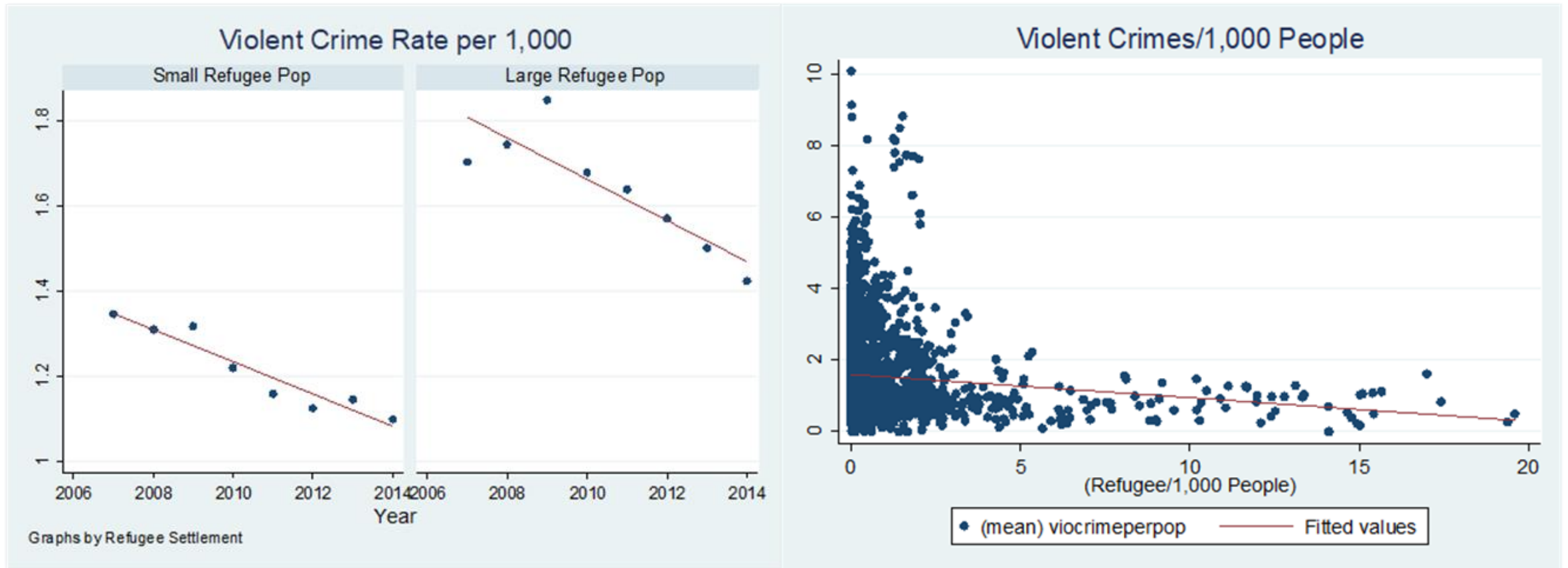
Identification

- Thus far, we have assumed the location of refugees is exogenous to local crime rates.

- Yet, that might not be the case if depressed counties (possibly counties with higher crime rates) seek refugees to revitalize their economies => overestimate of the impact of refugees on local crime.

- We address the non-random location of refugees using an IV approach that exploits the idea that refugee placement is often influenced by existing networks.

Instrumental Variable Approach

Construct a shift-share prediction of the share of refugees from origin, o, into each county, c, in each year, t, along the lines of Altonji and Card (1991) and Card (2001) based on the idea that agencies may seek to place refugees into communities with concentrations of refugees from similar regions/countries:

$$\widehat{shift\ share\_refugees}_{oct} = \varphi_{oc1970} \times refugees_{ot}$$

- $\widehat{shift\ share\_refugees}_{oct}$ is the estimated number of new refugees from o in county c in year t,
- φ_{oc1970} is the share of all U.S. immigrants from country of origin o who resided in county c in 1970,
- $refugees_{ot}$ is the inflow of refugees from country o in year t.

Crime Rates and the Refugee Population – IV

Variable Names	All Crimes	Violent Crimes	Property Crimes
(Refugee/1,000 people)	**0.045**	**-0.166****	**0.209**
	(0.188)	**(0.069)**	**(0.166)**
		↓1% or ↓1.2 crimes per 100,000 w/8 additional refugees per 100,000	
Poverty Growth Rates	0.108	0.016	0.089
	(0.087)	(0.037)	(0.073)
Unemployment Growth Rates	0.314***	0.051	0.263***
	(0.097)	(0.051)	(0.076)
County Fixed-Effects	Y	Y	Y
Year Fixed-Effects	Y	Y	Y
Observations	23,555	23,555	23,555
Number of Clusters	2,969	2,969	2,969
R-squared	0.841	0.718	0.842
First-Stage Results			
IV	2.492***	2.492***	2.492***
	(0.413)	(0.413)	(0.413)
F-stat	12.39	12.39	12.39
Adjusted R-squared	0.895	0.895	0.895

Summary and Conclusions

- **Refugee flows around the world have been on the rise**. Yet, the welcome received by refugees has varied worldwide.

- **In the United States**, growing skepticism about refugees has resulted in expressed concerns regarding their impact on public safety.

- We investigate this link and find that **refugees do not have a significant impact on local crime rates**. Similar results are obtained when focusing on refugees from the 7 banned countries in President Trump's original executive order, *Protecting the Nation from Terrorist Attacks by Foreign Nationals*. If anything, more refugees help lower, albeit by a very small amount, the incidence of violent crimes.

- We hope the findings contribute to **shaping public attitudes** towards refugees –a key component of immigration policy. Given ongoing refugee crises, gaining a better **understanding of the facts** is essential in devising policies that address native concerns and avoid political opportunism.