COMMENTS: CRIMINAL CAREERS AND CRIMINAL FIRMS

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Overview

- Contributes to the literature studying the evolution of criminal careers, from entry to exit, crime type, intensity, etc.

- Main contributions:
  - Draw parallels to traditional labor economics questions in criminal market of robbery.
  - Application of empirical techniques more common in economics.
  - Unique data sets, particularly the police data linking suspect/robbery characteristics over time (even if the offenses aren't cleared).

Findings Compared to Legitimate Markets

Similarities with Legit Markets	Differences with Legit Markets
A large share of *unemployed* (incarcerated) workers return to work (recidivate).	'Industry' switching is more common in illegal markets than legal ones. (but is this because of narrow definition of industry?)
There is less industry switching amongst experienced workers (criminals).	Criminal 'firms' that are homogenously foreign are the most productive.
There is vast heterogeneity in firm productivity.	Increased use of technology (weapons) in older robbery firms, compared to technology adoption in legit industries being driven by the younger workers and firms.
Technology can be a substitute for physical strength.	

Generalizability and External Validity

□ Are the results generalizable to crimes other than robbery?

  ◻ Simple descriptives from the prison data set: how different are robbers from other types of criminals?

  ◻ Are the same trends in crime seen for robbery in Italy as other crime types?

  ◻ What share of crime does robbery comprise? How important are these reuslts?

Generalizability and External Validity

- Are the results generalizable to countries other than Italy?
  - Only present comparison of overall robbery rates across countries.
- But I wonder if some of the analysis can be replicated with similar incident based data sets.
  - While some of the data set features are clearly unique (e.g. linking of suspects across crimes), there are other features that I believe exist in other incident based reporting systems (NIBRS?): types of place, size of loot, number of robbers, any/type of weapon, day of week and time of day?

Basic Framework

- Crime type is industry; i.e. robbery is separate industry.
- Seems more natural to group crimes together to form an industry, according to the skills and networks (criminal capital) necessary.
  - Violent, property, drugs, weapons?
  - Each crime would then be a different job within an industry.
- We only see what criminals are caught and prosecuted for. Since some offenses have higher arrest and/or prosecution rates, this may affect the likelihood of moving from one industry to another.
  - May be less of a problem if industry is defined as group of related crimes.
- Using crime groupings as industry, it is likely that industry switching is less common (as in legit labor markets).

Age as a Confounding Factor?

- Figure 2.5 shows that days between subsequent incarcerations decrease as criminals age, and suggest that older criminals reoffend at higher frequency than younger criminals.

- Alternative explanation: Police find evidence easier to convict those they are more familiar with.

- Other alternative explanations?

  - Less likely to incarcerate young criminals because they have less history, or even because they are younger.
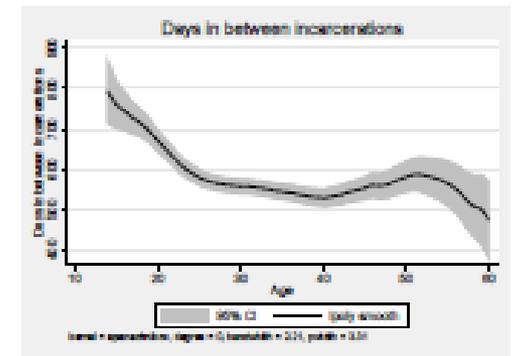
Age as a Confounding Factor?

- Main result: criminals in the first or second incarceration are 6.8% more likely to recidivate if they spend an additional year in jail. The effect is 0 in the 3rd and 4th incarcerations and then becomes negative.
  - "Incarceration length has a negative effect on recidivism only after the first two incarcerations, suggesting that the initial incarcerations represent a crime school for inmates."
- Alternative interpretation?
  - Criminals are on the upward path of the age-crime profile during the begininngs of their criminal careers and the downward path at the end of their careers?
  - How robust are these results to more flexible age controsl?
  - Given the general age-crime profile, I am not convinced that these results are driven by sentence length and not age...

Chapter 1: Specific Comments

- Table 1.1 cross country robbery rates from 2003 to 2010.

- Highlight similarities across countries.

- But, make no note of the trend in robbery rates in Italy?
    - Which actually differs from other countries.

- Why does robbery increase 41% in Italy in 2005 and drop almost back to the 2004 rate in 2008/9?

- Is it a data recording issue (which would raise questions about the comparability of trends across countries) or is there something actually happening?

Robbery Rate in Italy
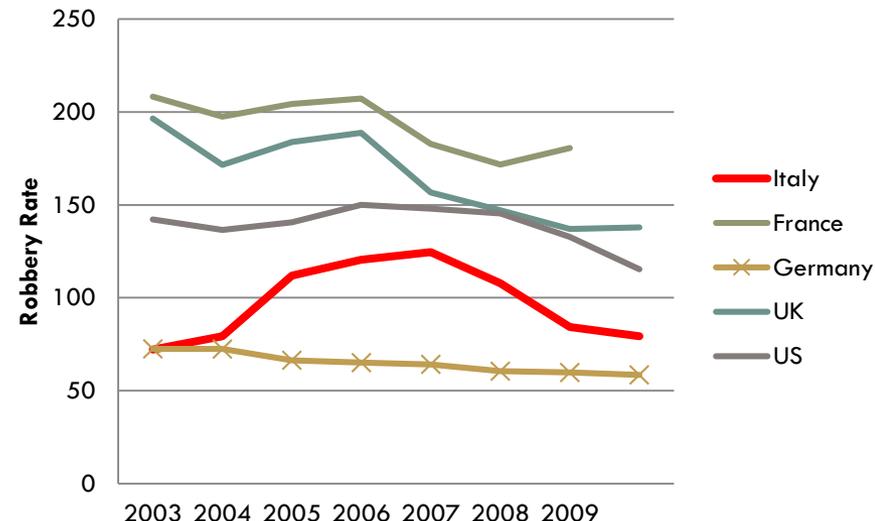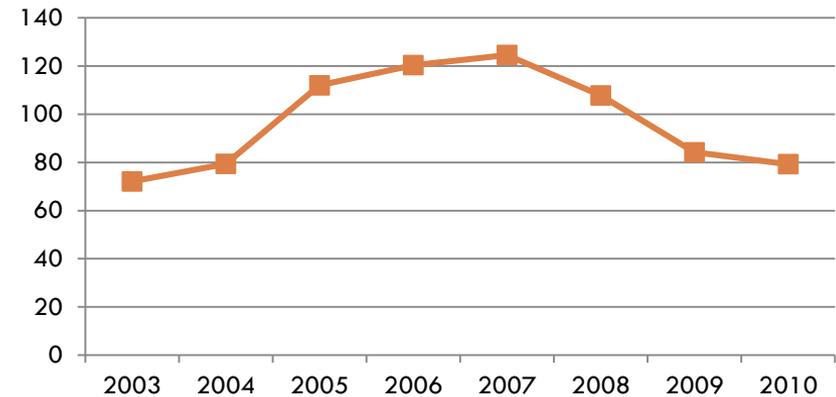
Chapter 2: Specific Comments

☐ Analysis looks at incarceration spells for individuals with at least one robbery incarceration in Milan.

  ☐ 9662 incarceration spells for about 7000 individuals.

☐ How does selecting on robbery affect these summary statistics?

  ☐ If you were to look at those with at least one theft spell or one drug spell, would these profiles and descriptives substantially change?

  ☐ Says something about generalizability to other crime types.

Chapter 2: Specific Comments

- Would like to see some of summary statistics and figures where the unit of analysis is the individual rather than the spell (i.e. n = 7000)

- When presenting summary statistics by incarceration spell, individuals with many spells get a lot of weight.
  - Average age at first incarceration should be quite different for the sample of unique individuals than for the sample of unique spells.
  - If those with many spells are first incarcerated at an earlier age, then it will appear as if individuals enter the illegitimate market at an earlier age than is typical for the sample of individuals.

Chapter 2: Specific Comments

- *Experience* is a key measure of labor economics.
- Proxy for experience in the criminal markets with *years since first incarceration.* Is this a good measure of experience?
  - What if someone doesn't recidivate for five years (not only is he not caught, but doesn't actually commit crimes)? Does this individual really have five years of experience?
  - In the legitimate labor market, should time when someone is unemployed, on maternity leave, etc., count towards experience?
- Alternative measures of experience?
  - # robberies, # arrests, length of prison sentence (as criminal capital can be accumulated when in prison too)?
  - How robust are the experience results to using alternative measures of experience?

Chapter 2: Specific Comments

- Figure 2.8 shows a decrease in the likelihood of recidivating with the same offense (specializing) in the first five years.

  - Is it possible that this just captures a decrease in recidivism over all during this time period, rather than offense specific recidivism?

- Suggest that specialization in later years is consistent with workers learning their type over time and subsequently sorting into industries.

- Expand on this:

  - Less about type and more that there is not sufficient incentive to change crime types in later years as the marginal returns from robbery get so high after so many years of experience, that they are much greater than the marginal returns for other crimes.

Chapter 2: Specific Comments

- What is the effect of sentence length on recidivism?

- Can you get at a causal effect taking advantage of the 2006 change in the law (that increased the sentence that can be given to recidivists and multiple recidivists)?

- Use whether the offense was committed before or after January 2006 as an instrumental variable for sentence length?

Chapter 3:
Specific Comments on Data

- Unique data set, linking robbery incidents with similar characteristics to identify a 'series' even if arrests not made.

- Are incidents that are linked systematically different than those that are not linked?

- If so, is it because robbery firms that engage in multiple robberies are different than those that are not repeat offenders?

- Or is it because of a limitation in the data?
  - Perhaps incomplete information for the unlinked cases?
  - Are these robberies less likely to be in a place with a surveillance camera or have fewer or less reliable witnesses, yielding less details about the offense recorded in the data?

Chapter 3:
Specific Comments on Firm Size

- More than half of illegal firms are self-employed (i.e. single employee). More comparisons with self-employed firms in legal market?

- Most illegal firms are small, but there is at least a 25% chance that firms grow or shrink between any two robberies.
    - Small samples with high number of robbers. May be better to look at 1 employee firms versus 2 or more employee firms.
    - Can this reflect measurement error in police ability to identify a 'firm' and all members of the firm?
    - Does changing firm size reflect members of the firm being admitted and released from prison?
    - Is an incarcerated robber replaced in the firm?
    - Or does incarcerating at least one member of the firm termporarily shut down the entire firm?

Chapter 3: Specific Comments Productivity by Firm Size

- As firm size increases, average loot increases and clearance rate decreases $\Rightarrow$ productivity increases.
- But, what about correlated unobservables?
- Is it firm size that causes increased productivity, or are there other potential underlying mechanisms of this relationship?
  - **Experience**?
    - More experienced criminals have more connections/networks, perhaps through prison experience, which may naturally lead to larger firms (i.e. crimes commited with other individuals).
    - More experienced criminals may also know better how to avoid arrest and how to increase the loot (time of day, location, etc.)

Chapter 3: Specific Comments
Illegal Firms and Technology (Firearms)

- Older firms (robbers) are more likely to use firearms.

- The use of firearms yields higher average loot and lower likelihood of arrest, i.e. firearms (technology) increases illegal firm productivity.

- Be more cautious interpretting this as firearm use *causing* higher revenue.

- Is it a selection effect?

  - Who chooses to use firearms? When do they choose to use firearms?

  - When the increase in the expected return to using a firearm is greater than the increase in expected cost, i.e. in high payoff, low risk jobs.

Chapter 3: Specific Comments Parametric Evidence on Productivity

□ Specifications with firm fixed effects.

- 1,254 robberies for 729 (or 907) firms. (I think)

- How many firms are only observed once in the data?

- Firm fixed effects only identifies estimates off of repeat robbery firms. Are these firms systematically different than single robbery firms?

Smaller Comments/Questions

- A lot of descriptive statistics, such as sample means, for various ways of slicing the data.
  - But some sample sizes are quite small, and standard deviations quite large.
  - Pay more attention to whether these differences are significant.

- Chapter 2:
  - When do individuals become at risk for recidivating? At date of release, such that you are capturing specific deterrence?
    - Should make it clear that any findings are not confounding deterrence and incapacitation.
  - Cox proportional hazard models of recidvism (Table 2.6) supposedly include month and year fixed effects. *Month and year of what?*

- Chapter 3:
  - What is planning time? How is it determined?

Additional Labor Market Parallels?

- Another key aspect of the labor market is education. How does education play a role in illegitimate labor markets?
  - Informal education (prison, peers)?
  - Formal education?

- Part-time workers?
  - Little discussion of individuals being able to work in both legitimate and illegitimate markets.
  - What about informal (but legitimate) markets?