Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University

Student:	**Vít Kubů**
Advisor:	**Michal Šoltés**
Title of the thesis:	**Analysis of Migration and Crime: Evidence from the Czech Republic**

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

Please provide a short summary of the thesis, your assessment of each of the four key categories, and an overall evaluation and suggested questions for the discussion. The minimum length of the report is 300 words.

Short summary

The thesis presents an empirical research question: Has the recent influx of Ukrainian immigrants increased the crime rate in the Czech Republic? To address this question, the author collected data on regional migration flows and crime rates from police statistics across all regions/districts (okres) in the Czech Republic. To tackle potential endogeneity concerns, the author employed an advanced econometrics method known as a shift-share IV (Bartik shift-share instrument). This approach relies on the variation in the existing distribution of Ukrainian immigrants and assumes that newcomers often follow their compatriots' settlement patterns.

The results align with existing literature, indicating an increase in the number of criminal cases (total, property, violent crimes, and misdemeanors). However, this increase may be driven by the larger population size, simply as more people could potentially commit crimes. When considering more meaningful measures, such as crime per capita, the effect becomes less prominent, with an observable increase mainly seen in property crimes. The effect remains rather negligible for all other outcome variables. Overall, the results resemble the prevailing conclusion in the literature: a minimal effect, primarily on specific subcategories of crime, such as property crimes.

The thesis also highlights three important observations. First, the findings hold potential relevance for policy discussions not only in the Czech Republic but also in Poland, where the structure of immigrants and policy circumstances resemble those in the Czech Republic. Second, the demographic structure of the immigrant wave is rather unusual, with mostly women (mothers) and children fleeing Ukraine while men (fathers) stayed behind to fight. This aspect is likely relevant for understanding the prevalence of criminal behavior, as it is mainly young men who are associated with criminal activity. Third, the evidence provided does not directly imply that immigrants themselves are responsible for the increased criminal activity. Rather, it suggests a causal effect resulting from migration waves. The increased criminal activity could be influenced by the presence of immigrants and/or the government's reaction to immigration, potentially leading to an elevated criminal response from the local population.

Contribution

The economic literature exploring the dynamics between immigrants and the local population is vast and rapidly expanding, holding immense significance in the years to come. However, due to the varying circumstances of different migrant waves (such as country of origin, labor market opportunities, cultural assimilation, etc.), relying solely on existing empirical evidence from disparate waves can be misleading. A precise understanding demands rigorous analyses, and this is precisely what the thesis achieves in the context of the recent immigrant wave in the Czech Republic. Overall, the thesis effectively employs an advanced and well-established econometric technique, offering valuable insights into the relationship between immigration and crime rates in the Czech Republic.

Methods

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The methodology employed, the shift-share IV, corresponds top-level econometrics tools commonly used to address such research questions. Numerous well-published studies have utilized this approach, including the works of Bianchi, Buonanno & Pinotti (JEEA 2012), Bell, Fasani & Machin (ReStat 2013), and Spenkuch (ALER 2013). A recent paper by Maghularia and Uebelmesser (JEBO 2023) also employes this indentification strategy to study the effect of migration on crime in Germany.

The shift-share IV approach stands out as a strong aspect of the thesis, surpassing the level of econometrics expertise typically expected from an undergraduate student. The description of the methodology used is also well-presented. As a reader, I appreciated the inclusion of both IV and OLS results in a single table, facilitating easy comparison and drawing of conclusions. If there were any area for potential improvement in the methodology/results section, it would be a discussion of the implications of the difference in size between OLS and IV results. Additionally, it's worth noting that the thesis's limited number of observations is not a flaw of the author's work, but rather a constraint that should be acknowledged. Overall, the thesis effectively employs a well-established econometric technique, offering valuable insights into the relationship between immigration and crime rates in the Czech Republic.

Literature

The thesis adeptly incorporates most key publications on the effect of immigration on crime, as well as other pertinent fields such as methodology, the fundamental literature on the economics of crime, and recent research on the perception of migrations. This demonstrates the author's thorough orientation in the relevant literature. However, it would be beneficial if the author could more effectively contextualize their results within the existing body of research. It is important to note that a thesis, in general, may not be the ideal platform for precisely situating the thesis' contribution, as the primary goal of literature review in the thesis is to demonstrate the acquired knowledge on the specific topic studied. Ideally, students would seamlessly integrate both aspects, but the thesis requirements (such as completing the literature review several months before finalizing the results) can pose challenges in achieving this. Despite these constraints, the thesis effectively showcases the author's grasp of the subject matter and their ability to connect their findings with existing research to a satisfactory extent.

Manuscript form

I do not see any major problems with the manuscript. On a positive note, I appreciate that all tables and figures were well-described in notes right below the table/figure. This helps the reader to orient themselves better in the text. Figures 3.2 and 3.3 provide a nice visual illustration of the changes in migrants' allocation by regions. Additionally, I commend the author for spelling out the regressions and labeling all variables by their meaning, rather than using generic X or Y labels, as many students often do (e.g., using UA_flow instead of X).

As for minor issues, the aforementioned Figures 3.2 and 3.3 would be more informative if they used the same color scale for easier comparison. The language of the thesis is generally clear; however, in some instances, some improvements would lead to smoother reading. For example, in the introduction, some sentences feel like separate items rather than forming a cohesive and seamless text. Making these adjustments would further enhance the clarity and overall flow of the thesis.

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Overall evaluation and suggested questions for the discussion during the defense

In my view, the thesis fulfills the requirements expected of a bachelor thesis at IES, Faculty of Social Sciences, Charles University. I recommend it for defense and suggest a grade A. I hold in high regard the careful data collection, the utilization of an advanced methodology, and the considerable policy relevance and contemporary significance of the research question.

The results of the Turnitin analysis do not indicate significant text similarity with other available sources.

I propose the following questions for discussion:

1) Methodology: Let's consider a hypothetical scenario where a Ukrainian individual is twice as likely to be caught for any committed crime compared to a Czech (or any other) individual. How might this alteration in the context of crime detection influence your obtained results?

2) Policy Context of Your Results: If there were little to no generous policies in place to assist Ukrainian immigrants, how do you speculate your findings might have differed?

3) External Validity of Your Results: To what extent do you envision the generalizability and applicability of your results in the future as Ukrainian immigrants continue to reside here for a considerable period? As they potentially assimilate further, they may secure employment opportunities but also risk becoming part of criminal subcultures.

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY		POINTS
Contribution	*(max. 30 points)*	28
Methods	*(max. 30 points)*	30
Literature	*(max. 20 points)*	16
Manuscript Form	*(max. 20 points)*	17
TOTAL POINTS	*(max. 100 points)*	**91**
GRADE	**(A – B – C – D – E – F)**	**A**

NAME OF THE REFEREE: Michal Šoltés

DATE OF EVALUATION: 17/8/2023

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Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F