Prisons as the origin of criminal partnerships

Most of the crimes are committed by groups of people. In the US 75% of the felonies are done by more than one person. The figure is similar for Ecuador, with 80%. This criminal groups can belong to a gang, or criminal organization, or simply be formed by small group of bandits.

The literature on economics of crime have explored possible mechanisms of how this groups conform. For instance, XXX argue that a shared neighbor and school foster criminals’ alignment. In this paper I explore a different mechanism, prison. I study how entering prison foster the agglomeration of criminals, and the creation of criminal groups.

To study the effect of imprisonment on criminal group formation I will use a novel dataset on the universe of Ecuadorian trials from 2015-2020. I web scrapped all the sentences for all penal trials within this period and created a dataset containing: the name/s, and ID of the offenders, the type of crime, the judge, and the result of the trial. In total I have over XXX different trials, involving XXX people.

To identify the effects of prison in forming criminal organizations I will use the random judge assignment to trials, in the sample of first-time offenders. The goal is to calculate what is the likelihood of first-time offenders that go to jail of joining or forming a criminal group, in comparison to people that did not go to prison. To observe affiliation to a criminal group I will use future crime record of the people. I can observe if the person commits a crime again, and if they do it in a group of people. Moreover, I can check whether the group was confined to the same jail, or similar crimes.

Billings, Deming, and Ross (2019) show that minority youths that share neighbors and schools, are more likely to be arrested for committing crimes together. They find that living close to similar people (same school-grade-race-gender) increases the probability of committing a crime. Further, people living close (less than 1km) are 6 times more likely to be arrested together for a crime if they go to the same school.

Bayer, Hjalmarsson and Pozen (2009) show juveniles grouped together with similar criminals increased their probability of committing a crime, only if they have previous experience on it. They found reinforcement peer effects. However, they also find evidence that being exposed to criminals with other type of history (other crimes) also have an effect in future criminal behavior, which may rise the question of whether it is peers or prison.

* They do not explore criminal partnerships.

Damm and Dustmann (2014) Neighbors and crime. Early exposure to criminal neighbors explain youth criminal behavior.

Is this peer effects? Can it be phrased as peer effects and criminal bands?