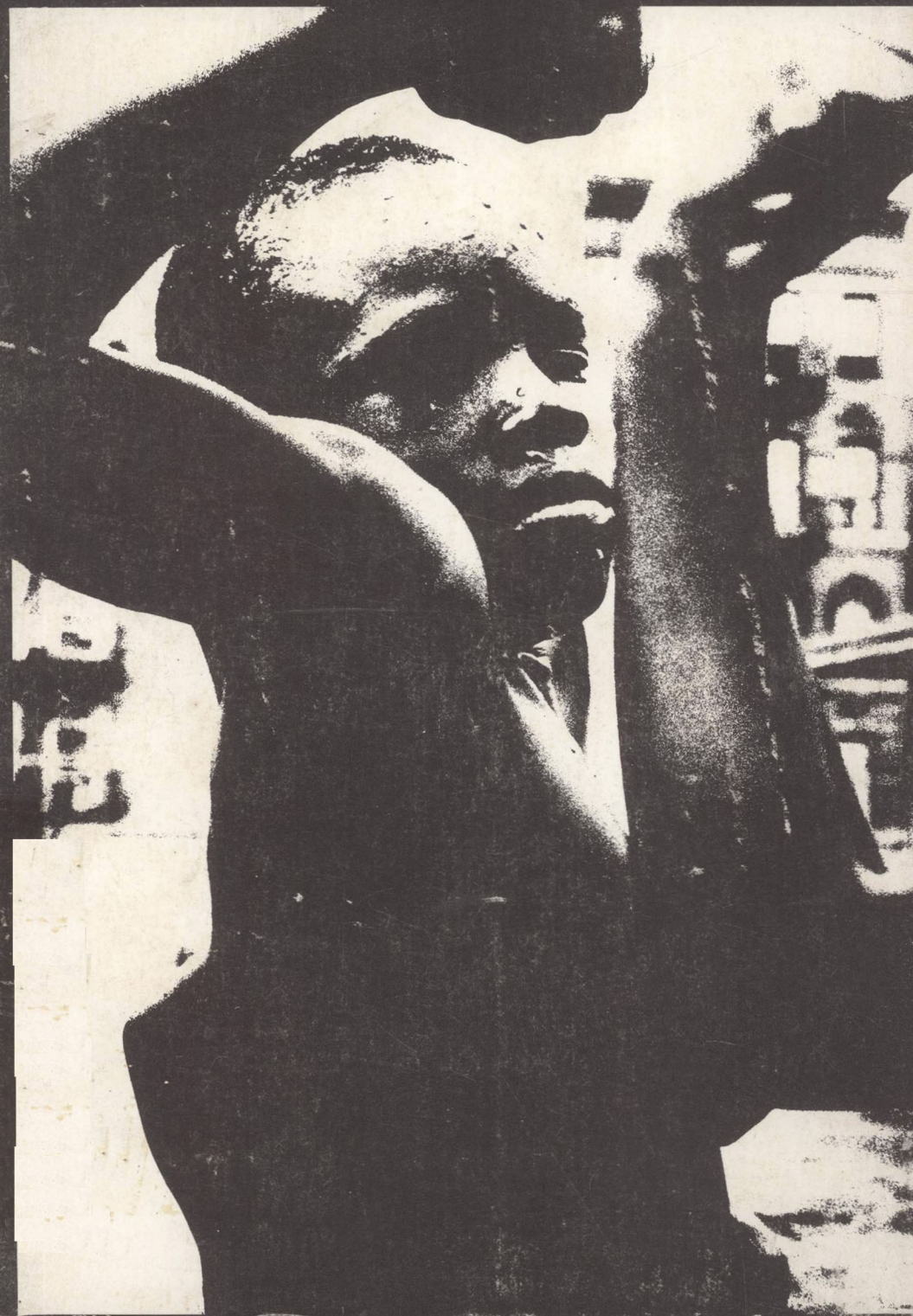


The Economics of Race and Crime

Edited by Samuel L. Myers, Jr. & Margaret C. Simms



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**Margaret C. Simms and
Samuel L. Myers, Jr.**



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Landmark Authors (affiliation at time of original publication)

W.E.B. Du Bois was one of the first blacks to receive a Ph.D. from Harvard University and was a professor at Atlanta University.

Gunnar Myrdal was a Swedish economist at the University of Stockholm, who later received a Nobel Prize for his work on racial issues and on welfare economics.

Thorsten Sellin was a professor at the University of Pennsylvania.

W.F. Willcox was a professor at Cornell University and chief statistician of the Census Bureau.

Monroe Work was director of the Department of Records and Research at Tuskegee Institute.

PREFACE

At least once a year, the *Review of Black Political Economy* publishes a special issue that focuses on a topic of importance to blacks. Over a year ago Sam Myers agreed to develop a special issue on "Blacks and Crime," in conjunction with Jack Votey. In spite of a very busy schedule during his first year as director of the Afro-American Studies Program at the University of Maryland, Sam kept his commitment to the *Review*. The result, while unique in some respects, continues the *Review's* long tradition of presenting empirical and theoretical work that represents various views on a given subject. Because of the widespread interest in the topic, a decision was made to make the volume available to a broader audience in the form of a book. We are thankful to the University of Maryland for the support that allowed us to do this.

In his introduction to the volume, Myers recounts the origins of the volume, summarizes the important points that are made in each article, and provides the analysis that links these seemingly disparate articles together. He has done an excellent job of pulling together a set of landmark articles that have not been generally known or available to the group of scholars who have developed an interest in the "causes" of crime. He has also pushed researchers who are currently doing work in the area of blacks and crime to present their work in a variety of arenas for debate and for the enlightenment of those of us who are not working in the "vineyards" of economics and crime. This volume is just one of his efforts, but one that, hopefully, will expand the parameters of the debate.

Like all efforts of this magnitude, there are a number of people whose contributions must be acknowledged. I would like to extend a special thanks to Sam Myers for his work as guest editor of the *Review*, without whom the volume would not have been possible. In addition to Sam, the *Review* is grateful to Jack Votey for his assistance in laying out the scope of the volume. Although he was not able to serve as a coeditor when the final work had to be completed, his intellectual insight and thoughtful

consideration were helpful in the early stages. Last, but certainly not least, I would like to thank Deborah Taylor for the assistance she provided both to Sam and to me in compiling documents, cajoling authors, and typing tables.

Margaret C. Simms

INTRODUCTION

Samuel L. Myers, Jr.

This volume is unusual in several respects. First, it tackles the issues of crime and the economy—arguably important to students of black political economy, but too often absent from the pages of both alternative and mainstream journals alike. Second, it reflects an emerging intellectual tension within scholarship on race and crime, in a manner that makes the readings seem more like a debate than a standard collection of articles. Third, at first glance it may not appear to be about *Black* political economy at all. Several of the articles make no pretense of attempting to explain black crime or to explain why blacks account for nearly fifty percent of the inmates in the United States' federal and state prisons. Instead, these apparently aberrant works seek to shed new light on crime and economy in a broader and, in one instance, international and comparative perspective, in hope of stimulating subsequent research on blacks and crime.

But the unique feature of this volume is its attempt to resurrect several classic writings by and about blacks on the elusive topic of criminal justice and economics. Some of the works that can be termed landmark articles are unknown to the current generation of researchers in economics and crime; these include W.E.B. Du Bois' famous examination of crime in Philadelphia and Booker T. Washington's peculiar indictment of drugs and alcohol (discussed later in this introduction) as the causes of black crime. Important precursors to modern (or neoclassical) economic models of crime are omitted due to space constraints; these include Adam Smith's often rambling lectures on jurisprudence with his singular emphasis on the use of police for the protection of life and property, as well as Bentham's underappreciated essay on why and when criminals do not respond to the just invented principles of pleasure and pain. The inten-

tion for bringing the few old and dusty writings on blacks and crime off the shelf is to expose the current generation of researchers to the antecedents of the ongoing tensions underlying scholarly endeavors to uncover the mystery of economy and crime.

ORIGINS OF THIS VOLUME

This project has its origins in a series of discussions that University of California, Santa Barbara economist Harold Votey and I began nearly a decade ago. We were both working away at refinements of our respective models of criminal behavior. Votey and his long-time collaborator Llad Phillips were reconciling their earlier work on labor markets and crime with the then dominant Beckerian analysis of deterrent effects of punishment. I was challenging the conventional deterrent model and was arguing within the rational choice framework that not only might not punishment reduce crime, it might even increase optimal participation in illegal activities.¹ We realized that important precursors to the rational model of crime existed among economic writers during the previous centuries. Bentham, Beccaria, Smith, and others could be found to be enunciating exactly (or nearly exactly) the same broad theorems now attributed to Becker, Ehrlich, and like-minded modern writers. What we did not know then was that economists of an earlier era, who embraced some of the racist perspectives prevalent in the turn-of-the-century academic thought, had sketched out some of the reasoning that now pervades much of the conservative criminal justice literature. Our original intention was to produce a volume that brought together past and current writings on what economists had to say about crime. Through a fruitful interchange over the years, the result was several collaboratively organized sessions at various meetings of the American Economic Association and the Western Economic Association.

Something else happened as well. Both of us became more and more interested in looking closely at quality microdata in order to understand peculiar aspects of criminal justice processes. My concern was with racial discrimination in punishment. I examined several aspects of differential treatment of black and white offenders and found the need for better measures of pre-prison and post-prison employment and crime outcomes. Phillips and Votey examined the paths to crime from school and work among youthful offenders and found the need for reliable measures of unreported criminal behavior. The obvious and conspicuous racial discrimination in parole release rates and in time served uncovered in the

data I examined led me and my collaborator, William Sabol, to ask how that discrimination came about historically. The barely obvious and inconspicuous difference in crime between blacks and whites uncovered in Phillips and Votey's data led them to ask what role if any is played by labor market and family variables wherein prominent racial divergences are registered. And so, in the quest for answering different questions, we have come to the recognition of what discussant Richard McGahey calls, "The problems at the Tower of Babel."

As our original research agendas began to diverge, so too did the conceptualization of what historical evidence was pertinent for the understanding of contemporary criminal justice policies. William Sabol, an intellectual historian by predilection, uncovered several gems of black history in the tomes of Harvard's Littauer Library. Black writers like W.E.B. Du Bois and Monroe Work were using their newly invented tools of social history to unlock not the mystery of why blacks were criminal but of why the criminal justice system was so black. Individual specific models, becoming increasingly prevalent at the turn of the century, were deemed inadequate for explaining how the convict lease systems, the prison farms, and the whole evolution of penitentiaries in America somehow evolved into a predominately black repository for the outcasts of society. Unfortunately, few modern economic or criminological writers, even those like Thorsten Sellin (an admirer of Du Bois) have given more than passing recognition to the pioneering contributions of these black scholars. More recent classics, such as that by Gunnar Myrdal, can be faulted as well for doing too little justice to the scholarship of blacks, except that in the case of Nobel-laureate Myrdal, most of the analysis was actually based on the previous writings of the black sociologist and criminologist, Guy Johnson. Nonetheless, Myrdal's interpretation of the selective evidence raises some interesting paradoxes when viewed from the window of the late 20th-century applied econometrician.

Upon reading the classic works of turn-of-the century black writers, along with other often forgotten treasures by early "radicals," Sabol and I began in earnest the task of reviewing how prisons became so black. This effort was stimulated principally by a nagging concern about the National Academy of Sciences' errant conclusion that while there may be some discrimination in some places and some times against some criminals, there was no systematic discrimination against blacks.² The emphasis needed to be shifted to understanding why and how the outcomes of the criminal justice system came about. These efforts resulted in a new historical data set on crime, race and employment from 1850 to 1980.

Phillips and Votey, in turn, were shifting their attentions to the National Longitudinal Survey of Young Americans, which promised to reveal insights into self-reported criminal involvement and economic factors. They sought to extend the rational choice model to include such social and behavioral factors as schooling, family background, and early labor market experiences. As such, their work breaks new ground that exposes both the promise and the limits of neoclassical economic models of crime.

While Votey's and my research paths were taking divergent routes, we continued to envision a volume of landmark and frontier articles on crime and economics. This is the end-product of that vision. We organized and arranged two separate panels of papers, one at the Western Economic Association meetings in San Francisco, in the summer of 1986, and the other at the American Economic Association meetings, winter 1986. The nontechnical versions of the WEA papers appear in *Contemporary Policy Issues* (Fall, 1987). The revised technical versions of the WEA papers, the AEA papers along with some insightful comments on them, and selections from five landmarks on race and crime are all included here.

LINKS BETWEEN PAST AND PRESENT

The first series of articles are landmarks in that they have important seeds of current thinking about crime and economics. They also help to underscore the tensions between research focused on why blacks are so criminal and on how the criminal justice system is so black. Witness the diverging perspectives of economist Walter Willcox and criminologist Thorsten Sellin:

Willcox writes:

A large and increasing amount of negro crime is manifested all over the country. This raises a problem pressing with weight upon the States where negroes are numerous. The causes may be grouped as defective family life, defective industrial equipment and ability in comparison with their competitors, increasing race solidarity among negroes, and increasing alienation from the whites.³

While Sellin intones:

The literature dealing with the social problems of the Negro is filled with statements which in no uncertain terms accuse the Negro of ex-

cessive lawlessness. They have charged him with failure to appreciate, or utilize, the freedom which his emancipation from slavery gave him. They have accused him of filling our prisons with dangerous criminals, because his inferior mentality and primitive emotions made it impossible for him to develop the self-control or the conformity to standards of conduct which life in a civil society demands. . . . [S]tudents of Negro criminality . . . have arrived at the general conclusion . . . that the Negro commits more crimes than the white. . . . [C]onsidering the poverty of our source material, such a conclusion requires considerable modification.⁴

When American Economic Association stalwart, Walter Willcox, read his infamous paper on “negro crime” before the American Social Science Association, the then-Chief Statistician of the Census Bureau sought to do more than summarize the alarming disproportionality of imprisonment and crime among blacks in the South. Reinforcing his conclusions by allusion to what blacks themselves had to say at the 1898 Hampton Negro Conference, Willcox, then secretary of the young organization called the American Economic Association and destined to become the 17th president of the primary organization of economists in America, sought to uncover the falsehoods he thought were being propagated by the Northern apologists for the Negro’s condition in America. For example, writing in the tone of the time—a time during which William Baumol asserts American economists were governed by “loose standards of evidence” and often made pronouncements “based on no more than personal conviction”⁵—Willcox exclaims after summarizing the Northern liberal’s claim that blacks were somehow discriminated against in the Southern criminal justice system:

To meet these objections to the entire satisfaction of the person raising them would probably be difficult or impossible, and so, for the sake of my argument, let me for a moment admit their validity. If one thinks they furnish an adequate explanation of the large number of negro prisoners in the South, he may be asked whether they also lie in the North. Does it take less evidence to convict a negro here, or is a negro’s sentence for the same offense likely to be longer? Such a claim has never to my knowledge been raised. Yet in the Northern States, in 1890, there were twelve white prisoners for every ten thousand whites, and sixty-nine negro prisoners to every ten thousand negroes. . . . These facts furnish some statistical basis and warrant for the popular

opinion, never seriously contested, that under present conditions in this country a member of the African race, other things equal, is much more likely to fall into crime than a member of the white race.⁶

Willcox's racist persuasion did not prevent him from exposing an altogether uncovered myth: that the racial disproportionality of prisons was purely a southern phenomenon. This is a theme that arises in the Myers-Sabol paper.

Progressive criminologist, Thorsten Sellin, in contrast, who as recently as 1976 was denouncing the racism of the South and the penal institutions that evolved after emancipation to reenslave blacks, steadfastly holds to the enlightened view in the above quotation that the criminal justice statistics tell us less about why or whether blacks are more criminal than whites and more about how justice is administered differentially. Votey and Phillips are uniformly skeptical about the existence of "unexplained" racial differentials in crime. They would argue that the observed racial differentials in criminal involvement are due to differentials in economic opportunities and not, as Sellin implies, racial discrimination in the criminal justice system.

Sellin, nevertheless, in failing to see the unequal justice in the North, also fails to put to rest the fallacy of Willcox's argument. This leaves the door open for conclusions like those of Blumstein that perhaps blacks are more criminal after all. The tension between the search for causes of crime and the examination of the outcomes of the criminal justice process evident in writings by economists and criminologists writing more than a half-century ago is evident still, and emerges as the unifying force behind this unusual volume.

The principal tension in the historical papers and in contemporary ones as well is the tension between attempts to explain black crime and attempts to explain blacks' status in the economic or political system. Votey and his coauthor have been working mainly on how people make choices. This has implications for differences in crime by race. Increasingly the more sophisticated models show that blacks are not more criminal than whites even though conventional econometric results show that race is a powerful independent explanatory variable in the supply of crimes. But why is race so significant? Because blacks are more criminal? Or because blacks lack economic opportunities? Du Bois in his earliest work on crime in Philadelphia struggles with this dilemma, even though he, like most other classical writers is left to wade through arrest statistics to reach his conclusions. Phillips and Votey, in contrast are blessed with a

superior data set, a superior model, and an unquestionably superior estimation methodology. It is surprising, then, that the result is the relatively low explanatory power of the economic specification of individual criminal behavior.

Myers and Sabol, for their part, are more concerned with how blacks end up where they are. They are concerned with imprisonment and the process by which prisons blackened in America following the Civil War. Their work does not provide a full-fledged nor adequate test of the racial discrimination hypothesis that Willcox rejects, nor is it free of the data bias alluded to by Sellin. Indeed, the omission of any measure of actual criminal participation in their model of business cycles and not crime but punishment leaves open the possibility that Willcox's thesis about industrial competition and black crime—detailed below—is correct after all. For all that it is worth, the Myers and Sabol article does nevertheless exonerate Willcox on the score of North-South variations in racial disparities in imprisonment, but not by using a Marxian analysis as McGahey claims in his comments.

Thus there are two trends in the contemporary articles that appear in this volume. One is the attempt to push microeconomic modeling as far as it will go to explain criminal behavior under the basic hypothesis that while official data show greater criminal involvement among blacks than whites, the real culprit is opportunities, broadly defined. Another is the attempt to see more macroscopically the process of imprisonment as a form of labor market equilibrating device. Blacks and whites do experience different criminal justice outcomes, in this view, but not simply because blacks are more prone to crime. Both the historical and the contemporary papers unveil this microeconomic vs. macrosociological tension. The result is a collection that will raise many new questions about what we know or think we know about crime, criminal justice, and the economy.

THE LANDMARK ARTICLES

The essays are arranged to evoke a sense of tension between the microeconomic and the macrosociological perspectives. The first essay, for example, provides excerpts from Du Bois's *The Philadelphia Negro*. In the selection from his chapter on the Negro criminal, Du Bois establishes, using the arrest statistics, the greater involvement of blacks in crime from the earliest days of their existence in Philadelphia. Accepting this racial disproportionality in crime, he then turns to a compelling account of how

it, and the resulting racial disproportionality of imprisonment came about. Du Bois plainly sees the inferior legal status of the Negro as the most important factor contributing to his overrepresentation in prisons.

Following chronologically is Willcox's elaborate thesis that industrial competition between whites and "inferior" blacks reduced blacks' wages and thus contributed to their criminality. Added to this is the interesting contention that racial pride and solidarity fuels the sort of lack of respect for law and order that prevents the functioning of a true democracy. Willcox's analysis is useful not only for the glimpse it provides of how leading economists of the early 20th century viewed blacks, but also for its apparently accurate account of how blacks—or at least black intellectuals—viewed themselves. To make his point that blacks accepted the public view of their disproportionate participation in crime, Willcox quotes from the proceedings of the 1898 Negro Conference at Hampton Institute. We find in the brief excerpts from the Du Bois-edited ninth Atlanta Conference proceedings, which follow Willcox, similar admissions of the greater criminality of blacks as compared to whites and the need for educated blacks to curb the "excesses" of the black masses.

Monroe Work's 1913 article in the *Annals* comes next. It was published when he was located at Tuskegee Institute. He undoubtedly had been influenced by Du Bois (he was a contributor to the Atlanta volume in 1906) and also by Booker T. Washington, the principal of Tuskegee at the time. Washington published a paper called "Negro Crime and Strong Drink" in the *Journal of Criminal Law* (Vol. 3, 1912-13 pp. 384-92) in which he concluded, following a descriptive examination of the impacts of prohibition on black crime:

Although the data presented above is inconclusive, yet when all the facts are considered, strong drink, I believe, is one of the chief causes of Negro crime in the South. It appears that where prohibition has really prohibited negroes from securing liquor their crime rate has been decreased.

Almost exactly these same words are echoed in Work's conclusion, although it seems much out of place, given the emphasis throughout on the racial injustices that preceded the rise of black imprisonment, suggesting an editorial addition that might have been at the insistence of Washington, Work's boss at the time.

The landmarks conclude with Thorsten Sellin's brief remarks on social science research and Negro crime and excerpts from Myrdal's *American*

Dilemma, wherein the absence of black political power is offered as the cause of black crime.

The early writings, as illustrated in our selection, reveal a great degree of disagreement, some of which continues into the present. It is useful, when moving on to the frontiers, to consider what we have learned from that controversy and what questions, if any, have been resolved by more recent research. Most people would argue that the nature of black-white differences in society have been evolving. It seems useful to inquire how this evolution has modified the terms of the debate.

THE FRONTIER ARTICLES

The article by Richard Freeman raises an important issue that has received much less attention than it deserves. He raises the question of the feedback effect of crime participation on employment of black youths. It is conducted very much in the tradition of behavioral choice models as used in the study of the labor market behavior of individuals. It takes the extent of black participation in crime as a given.

The approach reflects a difficulty with quality empirical research in economics. Incorporating all the complexities of a problem in a single equation estimation process is difficult and not always appropriate. What Freeman is telling us in his introduction is, in effect, that there is a problem of simultaneity; yet, he utilizes a single equation approach to make his point. And the evidence he presents suggests strongly that indeed simultaneity may be a crucial aspect of the crime-employment nexus.

The work of Good and Pirog-Good makes heroic headways in the direction of combining the microeconomic models of crime and employment to answer the questions raised by Freeman. It represents an ingenious advance in the formulation of a model to estimate simultaneously participation in work, crime and other activities. The approach effectively circumvents the most severe criticism of the use of simultaneous estimation techniques in crime participation research—that such estimation calls for the arbitrary exclusion of variables in the set of explanatory variables in order to achieve identification of key parameters. The research explicitly estimates separate relations for blacks and whites so that there can be no question as to whether parameters might differ between blacks and whites. This specification is chosen because of the a priori racial differences in labor markets and racial disparities in arrests.

Unfortunately, the measure of criminal participation is arrests, and as

Sellin warns us, this may mar the interpretations of the results. Nevertheless, the authors find confirmation for what Du Bois suspected all along: that criminal involvement among blacks is intimately linked to labor market outcomes.

The next article by Phillips and Votey, originally presented as three separate papers represents one piece of a continuum of research attempting to explain the involvement of youth in crime, within a framework that incorporates effects of deterrence measures, economic opportunities or their lack, investment in education, and a host of factors that reflect moral compliance with law. What is immediately apparent about this work is that, except for the third section, no race variable is included. And when race is included, it is found to be statistically insignificant. This modeling decision was intentional. Phillips and Votey adopt a broad range of measures to attempt to explain crime, that are specific to individuals. If crime differs by race, in their view, it is because the choice set differs between the races and not that there are individual differences between blacks and whites in the manner that Willcox envisions them.

Next follows the Myers-Sabol article referred to earlier and an important contribution by a sociologist working in the vineyards of business cycle theory. Dario Melossi's research provides a splendid comparison with Myers and Sabol's synthesis and an excellent test of Sellin's and Rusche and Kirchheimer's models of imprisonment. In these two articles the argument is made that punishment serves a social control function. Melossi uncovers such a function in times-series data for Italy, and Myers and Sabol find it in the United States. These results add new fuel to the heated debate over whether unemployment or economic cycles cause crime. Both reveal that the operational mechanism that links economic cycles to crime is not criminal participation as conventionally conceived. It is imprisonment.

Two sets of comments conclude the volume—one by Llad Phillips and the other by Richard McGahey. Although McGahey limits his remarks to the four studies he discussed at the American Economic Association meetings, the assessment of the state of research on crime and economics is valuable. And while McGahey seems to exaggerate the importance of Karl Marx in some of the analysis, he is fair enough to note the failings of the neoclassical model in the rest. Thus, the tension between the first two perspectives finds a critic suggesting a third, institutional approach to economy and crime problems.