

Comments on

## **The Effect of Tourism on Crime in Italy: A Dynamic Panel Approach**

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The paper presents an interesting and valuable contribution to the literature on the economics of crime, as it shows the positive impact of tourism on crime by using a dynamic panel analysis based on Italian data and it addresses the issue of the potentially heterogeneous propensity to be victimized for tourists and residents.

In particular, I would like to report some comments regarding the tested hypotheses and the interpretation of the empirical results.

### ***1) Macroeconomic performance and criminal activity***

Following Cantor and Land's theorization, the empirical analysis includes INCOME and GROWTH among the explanatory variables. According to this hypothesis, crime should show a countercyclical behaviour, as the incentive to commit crime would be caused by bad economic conditions. However, the coefficients observed for CRIME are never significant. This could be explained in several ways: a) the variable CRIME is not significant as it could be multi-collinear with the variable UNEMPLOYMENT, which may also capture some cyclical components; b) cyclical fluctuations - producing an effect on the economy only in the short-term - don't have a substantial impact on crime. I would be in favour of the second explanation, given that an economic downturn – implying only a transitory income variation – might not sensibly change the willingness of an individual to commit or not a crime (which may actually depend on some ethical values, relatively stable over time and then unlikely to be revised in the short-term).

### ***2) Opportunities to commit crimes and impact of tourism***

As discussed in the paper, the incentive to commit crime may be positively determined by an opportunity effect. Provided that tourism has a positive impact on crime, I would expect that different forms of tourism may actually have heterogeneous effects on crime, depending also on the personal economic conditions of the tourists choosing a given destination. There may be more opportunities for crime in a destination full of luxurious resorts (and chosen by very rich people) than in another one full of camping facilities. The authors propose some classification of destinations, but at the province-level and for a different purpose (2SLS estimation). Maybe they could introduce a variable representative of the type of tourism in a given destination and interact it with the main variable TOURISM, in order to observe possibly different impacts on crime.

### ***3) The victimization of tourists and residents***

The authors investigate whether the propensity to be victimized is higher for tourists than for residents. Indeed, common sense would imply that tourists, being less aware of the dangers related to local crime, have higher probability to be victims. The empirical results don't support such conclusion and then the authors explain the positive impact of tourism on crime mainly on the basis of agglomeration and urbanisation effects.

Indeed, I would further investigate the hypothesis of different victimization by using a possible different specification for the explanatory variables. In the construction of the new dependent variable  $CRIME_{pe,it}$ , the authors compute the equivalent population by dividing  $NIGHTS_{it}$  by 365, i.e. tourists are weighted only for the effective amount of time they spend

in a given destination. However, the key explanatory variable is still TOURISM, i.e. the quantity of official arrivals per square km (where the number of tourists is not weighted on the basis of the number of nights they spend in a given destination). The other regressor - used in the comparison with tourism - is DENSITY, i.e. the density of population per square km. In order to test the hypothesis of different victimization, the authors compare the coefficients of TOURISM and DENSITY: a higher coefficient of TOURISM would mean "that n more visitors generate much more crime than n more residents". Indeed, I am not sure whether such variables, as they are constructed, are comparable as in the proposed interpretation: a resident can be victimized 365 days per year (or slightly less if he/she goes for holidays), while a tourist can be victimized only for the amount of days he/she spends in that destination. For this reason, I would suggest to use - only for this specification - a different measure of TOURISM, where the number of tourists is weighted according to the average number of nights they spend in a given destination. That could make comparable the two key variables (tourism and density) and could be perhaps useful to observe some heterogeneity in the propensity to be victimized.