Is it the Economy?

Richard Garside looks at the relationship between economic trends and recorded crime levels.

Bill Clinton famously had 'It's the economy stupid!' pinned to the wall in campaign headquarters during the 1992 presidential election as a reminder of the pivotal role it played in the fate of US presidents. The American economy went into recession under George Bush Senior and Clinton won.

It is generally accepted that economic decisions that lead to such disfunctions as poverty, inequality and exclusion do have an impact on the propensity of individuals to commit crime. What is less well understood is the degree to which general economic trends might determine crime levels.

Economic trends and recorded crime levels

In order to understand economic trends and their potential impact on crime levels we need to distinguish between long-term trends (measured in years and decades) and short-term oscillations (measured in months and years). From the early 1950s to the early 1970s the long-term trend of the British economy was of expansion and growth. The economy – that is the Gross Domestic Product (GDP) – grew at an average annual rate of 3 per cent, with relatively mild short-term oscillations of growth and recession during that period. From the early 1970s long-term growth rates have slowed down to 2.3 per cent per year. The oscillations of growth and recession during this latter period have also been more exaggerated (Kitson, 2004). Three recent historians of the British economy have characterised the earlier period as the 'Great Boom' and the latter period the 'Great Slowdown' (Armstrong *et al*, 1991). Since the 1950s recorded crime levels in England and Wales have increased, rising particularly rapidly since the early 1970s economic slowdown. In 1950 the police in England and Wales recorded around 1,500 crimes per 100,000 of the population, doubling to around 3,000-3,500 by the early 1970s. By 1980 the rate had increased over 5,000 per 100,000 and peaked at some 10,500 by 1991 before declining again for the rest of the decade.

In summary, recorded crime rose relatively slowly from the early 1950s to the early 1970s during the 'Great Boom' period. During the 'Great Slowdown' from the early 1970s on, the rate of increase in recorded crime accelerated notably. This does not mean that the economic slowdown was the 'cause' of the rise in recorded crime in any simple sense. Many factors influence crime rates. Moreover, it is possible, though not inherently plausible, that the rising crime rate caused the economic slowdown. Alternatively, the changes in the crime rate and economic trends may have been affected by a third, unknown, factor. However, the correlation between rising crime rates and falling economic growth is suggestive, and has been considered so by others.

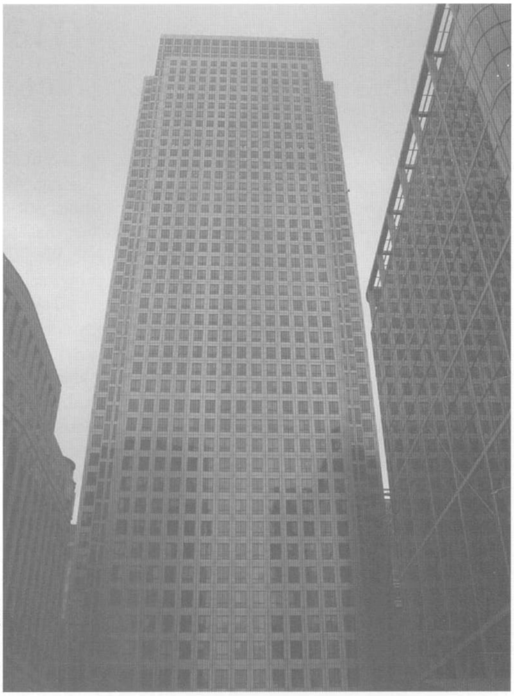
Understanding the relationship

In his seminal 1990 study, Simon Field, former head of economics at the Home Office, proposed that economic trends and levels of property crime (burglary and theft) operated in an inverse relationship to each other. Periods of economic growth tended to depress levels of property crime, according to Field. Fewer people would be motivated to steal the goods they wanted because in periods of economic growth more of them had the resources to acquire such goods legitimately. Conversely, during periods of economic recession property crime grew as fewer people could afford to buy consumer goods. (Field used changes in consumer spending (personal consumption), rather than GDP growth, as the measure for economic growth. It is a matter of dispute whether GDP, personal consumption or unemployment is the most accurate way of correlating economic changes with crime rates (see Pyle and Deadman, 1994; Hale, 1998.)

Though influential, Field's 1990 study was not without its limitations. As Field himself pointed out, his analysis helped to explain short-term fluctuations in levels of property crime, but "the full relation between long-run economic growth and growth in property crime is as yet unclear, it seems that the effects identified in this study have only a limited bearing on this issue" (Field 1990).

Subsequent work by, among others, Hale, Pyle and Deadman, has attempted to map the longer-term relationships between economic trends and crime levels. In an attempt to integrate the analysis of short-term economic trends and crime rates with a longer-term analysis, the Home Office also published a revised study by Field in 1999.

In this latter study Field argued that long-term crime levels – what he dubbed the 'equilibrium level of crime' (Field 1999) – were determined by the stock of available goods to steal (i.e. the more videos, televisions, mobile phones and iPods we all buy, the more there is in circulation for others to nick) and by demographic changes. As young males, according to Field, committed most crime, crime rates would also be influenced by the proportion of young men in the population. Field estimated that each one per cent increase in the stock of stealable goods translated into a two per cent rise in property crime while every one per cent rise in the number of young males in society led to a one per cent rise in property crime. Taken with his earlier study mapping short-term crime



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When the economy goes up, does crime go down?

trends, Field argued that it was now possible to describe the "full impact of economic trends on crime" (Field 1999).

Thinking ahead, Field also speculated on the implications of his model for predicting future property crime trends. He was not optimistic, arguing that both theft and burglary were by 1997 below their long term equilibrium levels. "We may expect some renewed upward pressure on the recorded crime figures in coming years," he concluded (Field 1999).

Picking up where Field left off, Dhiri *et al* attempted in 1999 to project property crime rates through to the end of 2001. Their conclusions reflected Field's gloomy assessment, projecting a 25% increase in burglary between 1997 and 2001 and a whopping 40% increase in theft during the same period.

Critical reflections

Levels of recorded crime do not follow changes in growth and recession in a mechanical or simple fashion. This is not least of all because all sorts of factors influence levels of recorded crime, from criminal justice policies and police recording practice to labour market structures, housing patterns and gender dynamics. Nonetheless, the analysis of the relationship of economic trends and crime levels does offer a new dimension to our understanding of the causes of crime, and one that is regularly overlooked.

That said, such analysis often raises as many questions as it seeks to answer, and I conclude here with three reflections.

First, and whatever the power of such models for elucidating past crime patterns, they have generally been pretty inaccurate when used to forecast future crime trends. Property crime, for instance, did not increase in the way that Dhiri *et al* predicted. The Home Office is currently developing more sophisticated models. But there is little doubt that the predictive power of current models is at best unproven.

Second, the predominant focus on recorded crime is at best partial, and at worst hopelessly ideological. Since the *British Crime Survey* started to be produced in the early 1980s it has been clear that police recorded crime figures provide a far from accurate picture of crime levels. Moreover, a whole range of crimes, from white collar fraud and business crime to environmental crimes and state crimes, rarely if ever figure in police recorded crime statistics. Linking economic trends to police recorded crime rates means both ignoring trends in 'real' crime rates and constructing a partial and biased picture of what crime really is. An attempt to understand, for example, the relationship between economic trends and the propensity of companies to rip off their shareholders, of manufacturers to pollute the environment, or of men to beat up their wives and girlfriends, has not been a notable feature of such analysis.

Third, and despite the important insights offered by the work of Field and others, this work has tended rather uncritically to assume some of the questions it should be asking. Chief among these is a critical analysis of the nature of British capitalism in its current neo-liberal phase, and of its possible impact on levels of crime. If economic trends from the 1970s did contribute to increases in crime levels, was this simply because of the economic slowdown? Or did other factors, such as the radical restructuring of the welfare state and the casualisation of labour markets, contribute to the material insecurity in which crime can flourish? If, as David Byrne has argued, social exclusion "is a necessary and inherent characteristic of an unequal post-industrial capitalism founded around a flexible labour market" (Byrne, 1999), in what sense can capitalism be said to create crime? As a critical discipline that seeks to analyse crime and society in all its complexity, rather than simply providing the raw material to inform government policy, reflection on the impact of economic systems on levels of crime should be central to the criminological enterprise. ■

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