

---

***EFFECT OF RECESSION ON ANTI SOCIAL BEHAVIOR IN SOCIETY***

**Basu Sayani, Assistant Professor,  
NSHM College of Management and Technology,  
Kolkata, West Bengal, India,**

***ABSTRACT:***

*This paper aims to explore the impact of the recent economic recessions and ongoing economic difficulties in the world leading to increase in crime rate.*

*In this paper, attempt has been made to summarize existing literature on the relationship between crime trends and economic trends. Then, drawing some data on crime, the economy and other relevant socio-demographic trends in the world, mainly India, some broad conclusions are drawn about likely crime trends over the coming years.*

*The paper concludes that crime rates increase during the recession. This paper will be of value to Police Forces, Psychologists and local authorities, principally when conducting their strategic assessments.*

***Keywords:*** *Recession, Psychology, Crime, Trend*

---

### Introduction

Different Economists define Recession in different ways but as a whole it may be defined as a significant decline in activity across the economy, lasting longer than a few months. It is visible in industrial production, employment, real income and wholesale-retail trade. The technical indicator of a recession is two consecutive quarters of negative economic growth as measured by a country's gross domestic product (GDP); the global recession of 2008-2009 brought a great amount of attention to the risky investment strategies used by many large financial institutions, along with the truly global nature of the financial system. As a result of such a wide-spread global recession, the economies of virtually all the world's developed and developing nations suffered extreme set-backs and numerous government policies were implemented to help prevent a similar future financial crisis.

A Crime may be defined as an activity that is punishable by the Government. It is obviously unlawful and may be against humans, animals, nature etc.

A recession generally lasts from 6 to 18 months, and interest rates usually fall in during these months to stimulate the economy by offering cheap rates at which to borrow money.

Recessions have psychological aspects. For example, if the expectation develops that economic activity will slow; firms may decide to reduce employment levels and save money rather than invest. Such expectations can create a self-reinforcing downward cycle, bringing about or worsening a recession. (Samuelson, R, J.)

The living standards of people dependent on wages and salaries are more affected by recessions than those who rely on fixed incomes or welfare benefits. The loss of a job is known to have a negative impact on the stability of families, and individuals' health and well-being. (Vaitilingam, R)

According to NBER (Table 1, pg-7) there have been ten major recessions. The U.S. recession is probably the longest since World War Two and could worsen without heavy government spending, according to a closely-watched survey of economists released on Saturday.

The Blue Chip Economic Indicators poll of 52 economists from top financial firms, major companies and academia found that most people expected a tepid recovery to begin later that year, with growth returning to more normal levels in 2010.

A majority of those polled thought the recession would officially end in the third quarter of 2009, which would make this the longest downturn since World War Two.

However, more than half of respondents thought unemployment would peak no earlier than 2010, suggesting that economic pain may linger long after the recession is technically over.

The economists seemed to conclude that government efforts to push down mortgage rates may stall. On average, they expected rates on 30-year conventional mortgages at 5.1 percent at the end of 2009, roughly where they are now.

---

The panelists were split on the outlook for the U.S. dollar, which some economists warned may be headed for a steep slide that year as the U.S. deficit soared and the Treasury Department issued a record amount of debt. (Kaiser, E)

According to a statewide study (King, L.) by Debbie Roberts, a research data programmer and analyst for the Virginia Department of Criminal Justice Services, a jump in property crimes seems to occur when unemployment or poverty rates increase (Table 2, pg-8).

Violent and drug-related crimes also may escalate in times of recession, Roberts said, but less so than property crimes, including burglary, larceny and motor vehicle theft, according to her recent report covering a 28-year period.

Roberts said preliminary data for 2008 show a slight increase in property crimes from January through September versus the same period in 2007.

According to Virginia State Police statistics, property crime rates rose the year after the 2001 recession and then fell in 2003.

During the 1990s recession - July 1990 to March 1991 - crime rate patterns were varied in South Hampton Roads.

In Chesapeake, both violent and property crimes increased in 1990 and 1991; violent crimes declined in 1992, and property crimes the year after. In Norfolk, both violent and property crimes increased in 1990, but while violent crime continued to increase until 1992, property crimes began to drop in 1991.

A higher crime rate can't be attributed only to crimes by people who have fallen on hard times, said Robert McCrie, a professor of protection management at the John Jay College of Criminal Justice in New York.

A recent report by the U.S. Conference of Mayors shows violence and drug-related crimes also typically go up nationwide during economic recessions - although violent crimes in Virginia "may increase to a lesser degree," according to Roberts' report. Violent crimes include murder, forcible rape, robbery and aggravated assault.

Rosenfeld and McCrie pointed to the Great Depression as a major anomaly in the recession-crime correlation.

From 1930 to 1932, in the early years of the Great Depression and nearing the end of Prohibition, a spike in crime swept the country because of turf battles between bootleggers and disorderly conduct among their customers, McCrie said.

With the end of Prohibition in 1933, however, crime rates began to drop. The Great Depression would not end until the United States entered World War II, but there was a significant drop in property crimes.

According to another article, (website:1) the severe economic recession has brought about the possibility of a crime wave occurring in the future. The soaring unemployment rate may mean that more desperate people will resort to crime to obtain money. At the time of this writing, the official U.S unemployment rate has jumped to about 8.1% (this does not include the underemployed or those who have stopped looking for work). In California, the unemployment rate is 10.1%. According to some sources, there is typically a 'lag-time' of

---

about a year between a significant economic event (e.g. massive bank failures, stock market crash etc.) and an increase in crime. If this theory holds true, then the U.S. might see a crime spike somewhere around Sept. 2009 as the effects of the 2008 crash begin to manifest themselves fully. As usual, there are conflicting studies on this topic, as some studies indicate that a crime increase does not necessarily occur when the economy deteriorates.

However, recent data indicates bank robberies in certain cities such as Houston, San Francisco, Albuquerque and New York City skyrocketed in 2008. For example, bank robberies in New York City jumped by 50% over 2007, and Houston experienced a record number of bank robberies.

Funding cutbacks have also hit police agencies as cities struggle to maintain their financial health during the recession. For example, police in Atlanta are being forced to take a day off every other week to save money. In Phoenix, some 250 police officer positions remain unfilled as that city deals with a massive budget crisis. In Sacramento, 100 police department vacancies remain unfilled, and only 1 in 10 property crimes are investigated due to staff shortages.

Poverty increased (webpage 2) by more than a third, over the past decade during recession. Nearly every recession since 1969 has shown significant increases in poverty rates, with the effects disproportionately concentrated among children. Effects on families are likely to be broad and profound. One of the most visible aspects of the recession, job losses and unemployment are known to be associated with increased stress, poorer health outcomes, declines in children's academic achievement and educational attainment, delays in age of marriage, and changes in household structure. Recent evidence already indicates a 12% increase in the number of multigenerational households between 2006 and 2010. Job loss is a significant source of stress and has been shown to be associated with health outcomes such as increased risk of heart attack and stroke; increased chance of diabetes, arthritis, and psychiatric problems; greater depression, anxiety, and loss of sleep.

The income loss is the largest one-year decline on record, said Lawrence Mishel, president of the liberal Economic Policy Institute, tracing it to the number of people shifting from full-time jobs to part-time work, although incomes went down for all races, Hispanics experienced some of the biggest losses. Income declined 5.6 percent for Hispanic households, 4.4 percent for Asians, 2.8 percent for African American families and 2.6 percent for non-Hispanic whites. Hispanics and Asians also showed the biggest increases in poverty rates (Carol Morello).

The decline was felt most keenly by people born outside the United States. Native-born households showed a 3.5 percent income drop, compared with 5.3 percent for the foreign-born, which encompasses naturalized citizens and people in the country legally and illegally.

According to Sociologists and Economists, Poverty and crime have a very "intimate" relationship. Poverty and crime combined together leave people with two choices: either take part in criminal activities or try to find legal but quite limited sources of income – when there are any available at all. Starting from the 1970s, studies in the US pointed more and more at the link between unemployment, poverty and crime. After that other connections with income

---

level, time spent at school, quality of neighborhood and education were revealed as well. Fresh research from the UK even indicates that economic cycles may affect variations in property and violent crimes. But most importantly, what reveals the unmistakable connection between poverty and crime is that they're both geographically concentrated – in a strikingly consistent way. In other words, where you find poverty (minority neighborhoods) is also exactly where you find crime. (Maurice Ward).

From Table 3a, b, pg.11&12, it can be gathered that the rate of incarceration in all the states of India in the years 2011 and 2012 has been higher than the previous years. From this a link may be found between crime and poverty as this is a time when India was going through a recession.

Poverty and crime are linked to each other as statistics from Asia's largest jail -- Tihar Prisons – (website4): reveal that 92 per cent of the prisoners lodged there are from the lower income strata of society. Of the 12,124 inmates lodged inside Tihar Prisons, the monthly income of 92 per cent inmates does not exceed Rs 8,000, according to the data for the year 2011. "Around 75 per cent of the prison population comprises of people who earned an annual income below Rs 50,000 at the time of their arrest," Sunil Gupta, law officer and spokesperson Tihar Prisons, said.

"Around 2,414 inmates lodged there were working as agricultural laborers during their time of arrest and 536 were into farming their own land," he said. "We found that there existed a direct nexus between illiteracy, poverty and criminality.

### **Concluding remarks:**

From the tentative analysis discussed in this study it may be concluded that recession has a significant effect on antisocial behavior. Poverty can lead to high levels of stress that in turn may lead individuals to commit theft, robbery, or other violent acts. Crime offers a way in which impoverished people can obtain material goods that they cannot attain through legitimate means.

Crime is clearly an important problem that must be confronted. Ehrlich (1981) suggests that the successfulness of rehabilitation and incapacitation programs do have an effect on the aggregate crime level. However, it costs about \$25,000 to detain a person in a federal prison each year (US Dept. of Justice, 2003). It also costs about \$100,000 to build a new prison cell, and the prison population is growing rapidly. From an economic standpoint, detaining every prisoner is actually a greater burden on society than crime itself is. Therefore, the issue becomes one of balance. Ultimately, the goal is to reduce crime to such a level that the total cost of controlling crime and the cost of the crime that remains is less than the total cost of crime under the status quo.

---

**Reference:**

- Ehrlich, I. On the Usefulness of Controlling Individuals: An Economic Analysis of Rehabilitation, Incapacitation, and Deterrence, *The American Economic Review*, 307-322, 1981.
- Kaiser, E, (10 January, 2010). "Economists see longest recession since World War Two". Reuters Edition US
- King, L.(19 January, 2009), "Statistics point to increase in crime during recessions", *The Virginia Pilot*
- NBER, Public Information Office, National Bureau of Economic Research, Inc. 1050 Massachusetts Avenue Cambridge MA 02138 ,USA ,617-868-3900
- Morello, Carol.et al. (September 11, 2009), "Millions More Thrust Into Poverty" *The Washington Post*
- Samuelson, R, J. (14 June 2010). "Our economy's crisis of confidence". *The Washington Post*. Retrieved 29 January 2011.
- US Department of Justice, Federal Prison System Operating Cost Per Inmate, [http://www.usdoj.gov/jmd/budgetsummary/btd/1975\\_2002/2002/html/page117-119.htm](http://www.usdoj.gov/jmd/budgetsummary/btd/1975_2002/2002/html/page117-119.htm), 2003.
- Vaitilingam, R. (17 September 2009). "Recession Britain: New ESRC report on the impact of recession on people's jobs, businesses and daily lives". Economic and Social Research Council. Retrieved 22 January 2010.
- Ward, Maurice. (October, 2013) "Poverty and Crime "National Dialogue Network.
- Web pages1: <http://azguy.hubpages.com/hub/Will-Recession-Increase-Crime>
- Webpages2: <http://www.russellsage.org/research/special-initiatives/great-recession/great-recession-rfp>
- Website3: <http://ncrb.nic.in/>
- Website4: [http://zeenews.india.com/news/delhi/poverty-and-crime-linked-shows-tihar-data\\_756106.html](http://zeenews.india.com/news/delhi/poverty-and-crime-linked-shows-tihar-data_756106.html)

**Table**

**Table 1: Source NBER**

*Recessions start at the peak of a business cycle and end at the trough.*

<b>Turning Point Date</b>	<b>Peak or Trough</b>	<b>Announcement Date</b>
June 2009	Trough	September 20, 2010
December 2007	Peak	December 1, 2008
November 2001	Trough	July 17, 2003
March 2001	Peak	November 26, 2001
March 1991	Trough	December 22, 1992
July 1990	Peak	April 25, 1991
November 1982	Trough	July 8, 1983
July 1981	Peak	January 6, 1982
July 1980	Trough	July 8, 1981
January 1980	Peak	June 3, 1980

**Table: 2 Crimes during Recessions**

<b>Years of recession</b>	<b>1989</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>
Virginia property crimes	237,747	253,049	266,163	250,214
Chesapeake property crimes	6,588	6,630	7,540	8,034
Norfolk property crimes	21,848	23,968	21,470	19,953
Portsmouth property crimes	8,208	8,707	3,187	8,113
Suffolk property crimes	2,337	2,593	2,898	2,587

**Table: 3a- National Crime Records Bureau, Ministry of Home Affairs**

**CRIME IN INDIAN STATES (2008-2012)**

STATE/UT	Grand Total 2008	Grand Total 2009	Grand Total 2010	Grand Total 2011	Grand Total 2012
ANDHRA PRADESH	14080	12808	12490	13213	13285
ARUNACHAL PRADESH	0	62	57	55	71
ASSAM	8742	8160	7922	8203	71
BIHAR	37709	33711	29700	28032	8271
CHHATTISGARH	11230	12142	12915	13918	28550
GOA	403	432	456	489	472
GUJARAT	14049	11942	11528	11601	11585
HARYANA	1468	13837	14219	15033	16952
HIMACHAL PRADESH	2310	1554	1585	1607	1716
JAMMU & KASHMIR	18403	2362	2577	2663	2540
JHARKHAND	13538	17196	18042	16586	17331
KARNATAKA	6732	13241	12889	12666	13137
KERALA	34755	6971	6692	6229	6947
MADHYA PRADESH	25831	32806	31318	32916	33959
MAHARASHTRA	465	24884	24281	24082	24509
MANIPUR	619	532	618	647	723
MEGHALAYA	790	656	626	570	696
MIZORAM	619	765	992	881	847
NAGALAND	14373	623	521	502	398
ORISSA	16115	13534	12429	12753	12867
PUNJAB	15520	17854	17644	17821	23219
RAJASTHAN	260	17932	17194	18104	19351
SIKKIM	16204	193	207	190	236
TAMILNADU	1278	14360	13866	13869	13195
TRIPURA	80809	988	951	899	901
UTTAR PRADESH	3234	83805	82673	82383	80311
UTTARANCHAL	20230	3507	3543	3261	3535
WEST BENGAL	221	17586	18519	19508	20431
A & N ISLANDS	526	228	688	1119	1126
CHANDIGARH	46	643	42	626	734
D & N HAVELI	43	56	30	25	37
DAMAN & DIU	11553	40	10856	29	25
DELHI	19	11246	27	12124	12113
LAKSHADWEEP	300	44	261	80	0
PONDICHERRY	0	269	261	242	285

**GRAPHICAL DEPICTION OF SCENARIO OF CRIME IN INDIA**

