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The economics of crime

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THE ECONOMICS OF CRIME

By: Syed M. Hasnain Saeed - BS Economics - 17709

Methodology:
Cross sectional Analysis of 115+ Countries

\[ \text{CRIME INDEX} = 6.667735 - 0.004292 \text{POP DENSITY} + 1.016067 \text{GINI INDEX} + 0.455348 \text{UNEM INDEX} \]

Explanatory Variables

- Population Density
- GINI Coefficient
- Unemployment
DOES INEQUALITY MATTER?

Income disparity increases the gap between Social Classes

Increased Payoff for criminal activities

Higher Crime Rates

1 point in Inequality Index (GINI Coefficient) leads to 1.016 points in Crime Index

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Denomination of major Crimes in Pakistan

**KPK & Balochistan: Highest Murder/Attempt to Murder rates.**

**Sindh: Highest rate of Kidnappings**  
**Punjab has the highest rate of Theft.**

### KPK
- **Murder:** 28%
- **Attempt to Murder:** 31%
- **Cattle Theft:** 2%
- **Kidnapping:** 14%
- **Theft:** 25%

### Punjab
- **Murder:** 5%
- **Attempt to Murder:** 6%
- **Kidnapping:** 17%
- **Cattle Theft:** 6%
- **Theft:** 66%

### Balochistan
- **Murder:** 19%
- **Attempt to Murder:** 11%
- **Kidnapping:** 18%
- **Cattle Theft:** 3%
- **Theft:** 41%

### Sindh
- **Murder:** 9%
- **Attempt to Murder:** 11%
- **Kidnapping:** 21%
- **Cattle Theft:** 3%
- **Theft:** 56%

**Underlying Realities:** Literacy, Rate of Apprehension, Religious Extremism, Tribalism, Bonded Labor.

Note: the category of 'Other Crimes' is excluded to have a concentrated view on major categories
DO YOU KNOW?

According to our research findings, 1% point increase in Unemployment increases country's rankings in Crime Index by 0.455 Points.

Post Lockdown KARACHI
(July-August 2020)

Motor Vehicle Theft 5.19%
Mobile Snatching 13.34%

Some countries with High Unemployment rates are
Nigeria – South Africa - Congo

Data Sources:
https://ir.iba.edu.pk/esdcber/2021/day3/17

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