

CENTRE *for* ECONOMIC  
P E R F O R M A N C E

# CEP POLICY ANALYSIS

## Reducing Crime: More Police, More Prisons or More Pay?

- Just over 4.3 million crimes were recorded by the police forces of England and Wales in 2009/10, of which 71% were property crimes and 23% were violent crimes.
- The British Crime Survey, which asks consistent questions over time shows that overall crimes *committed* have fallen by almost half since 1997.
- Overall *recorded* crime has also fallen since the early 1990s. The introduction of better recording practices in 1997 and 2002, however, make it difficult to fully assess recent trends in violent crime, although it has clearly been decreasing in the past five years.
- Despite this fall in crime rates, three quarters of the public still think the national picture is worsening.
- Several crime-busting strategies work. First, increases in police numbers, combined with new policing strategies such as the Street Crime Initiative have reduced robberies. Second, targeting prolific offenders is an effective tool to reduce crime. Third, recent evidence suggests that early release on electronic monitoring helps reduce recidivism rates of ex-prisoners.
- There is no clear evidence that the large increase in locking people up has reduced cut crime, especially in terms of its long-term impact on offending behaviours.
- Poor education and bad labour market opportunities are associated with higher levels of crime. Government policies aimed at improving education and ‘making work pay’ can have indirect effects on crime reduction.



THE QUEEN'S  
ANNIVERSARY PRIZES  
FOR HIGHER AND FURTHER EDUCATION



## **Introduction**

Crime is usually high on the list of voter concerns. This might seem surprising since total crime has fallen significantly since the mid 1990s. Yet two thirds of the population still (wrongly) think that crime is rising nationally.<sup>1</sup> Politicians must take account of the public's false perception of increasing levels of crime, which seems to be sustained even in years when both recorded crime and victimisation surveys point to reductions in overall crime.

The total economic and social cost of crime was estimated to be just above £35 billion by the Home Office for 2003/04, the latest year for which figures are available.<sup>2</sup>

All opposition parties during the election campaign promised to be 'tough on crime' but had almost diametrically opposed approaches on how to reduce offending rates. . The Conservatives would not pledge to protect police spending from expected budget cuts and promised increases in the use of custodial sentences and to put end to early release schemes. The Liberal Democrats pledged that they would increase police officer numbers and emphasised rehabilitation in place of spells in prison for offenders.

The newly formed coalition government has recently announced that spending on police will be drastically cut and that the number of prisoners is likely to fall for the first time in over two decades. This Election Analysis describes crime trends and research evidence relevant to these recent policy decisions. It also considers the impact of education and labour market policies on crime as these may be affected by the current drastic tightening of the public purse.

### **What has happened to crime over time?**

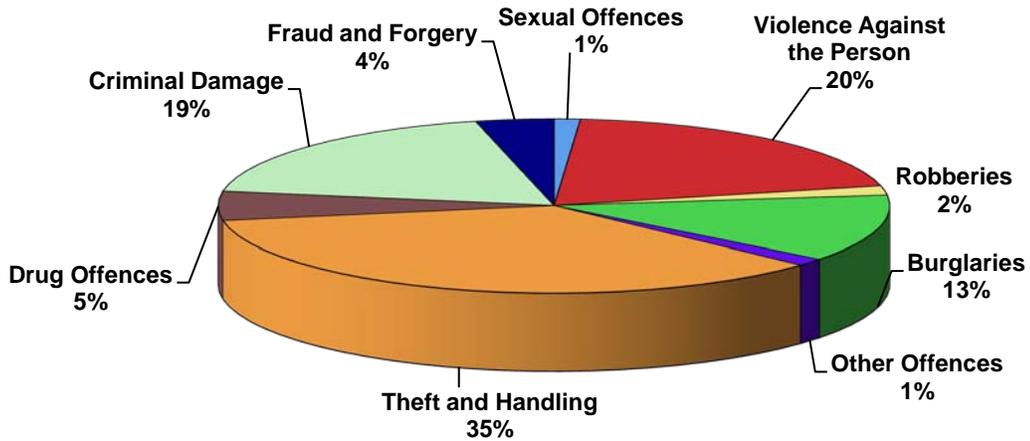
The police recorded just over 4.3 million crimes in England and Wales between April 2009 and March 2010. The three main types of property crimes – theft and handling, burglaries and criminal damage – account for 68% of the total, while violent crimes – sexual offences, violence against the person and robbery – account for a little more than 20% of all recorded crimes (see Figure 1).

---

<sup>1</sup> This is on par with what the public thought in 1996. However, the proportion of people who think crime is getting worse at their local area has decreased from 55% to 31% over the same period (Crime in England and Wales 2009/10 available at <http://rds.homeoffice.gov.uk/rds/pdfs10/hosb1210.pdf>).

<sup>2</sup> Dubourg et al (2005).

**Figure 1: Recorded crime categories 2009/10**

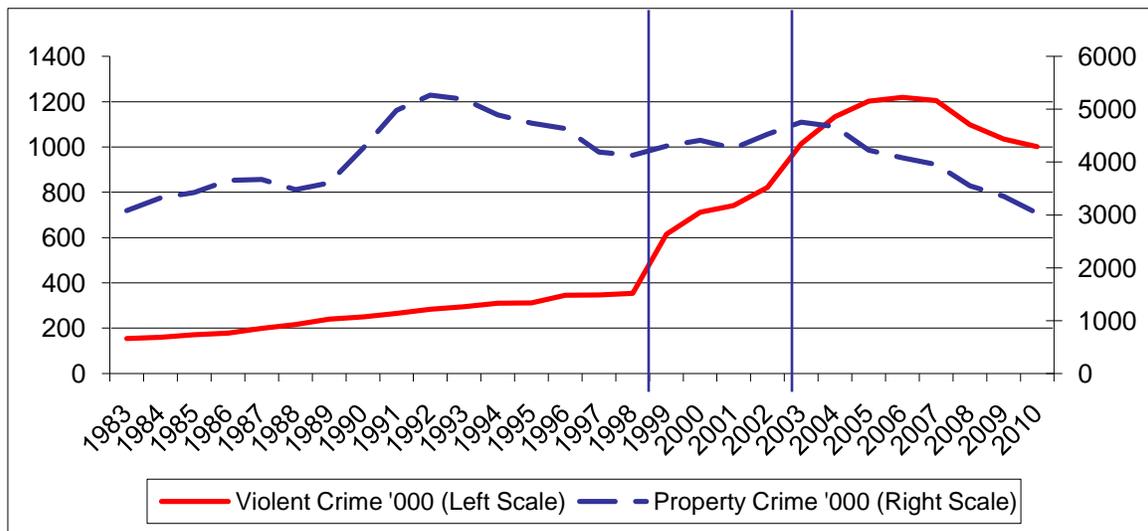


Source: Crime in England and Wales 2009/10

There has been a clear reduction in *recorded* property crime since it peaked in the early 1990s (see Figure 2). The introduction of two successive police recording practice changes in 1998/99 and 2002/03 makes it harder to compare what has happened over time.

The two change years are highlighted in Figure 2 with vertical lines and show that the earlier changes strongly affected violent crime, which now includes some previously unrecorded categories. In recent years though, both property and violent recorded crimes appear to have been decreasing, despite the recording rule adjustments.

**Figure 2: Recorded crime trends 1983-2010**



Source: Recorded Crime Statistics 1983/84-2002/03 and Crime in England and Wales 2009/10 Note: vertical lines denote a break in the series.

The British Crime Survey (BCS) is better for looking at trends, as it was not affected by the recording practice changes. This victimisation survey also offers a useful counterpoint to administrative crime data to get a better picture of offences committed but possibly not recorded. This gap is very important as Table 1 shows: only a quarter of comparable violent crimes and two thirds of property crimes were recorded in 1997.

Overall the number of crimes committed since 1997 appears to have fallen by almost half from 6.3m in 1997 to only 2.9m in 2009. The fall in 1997-2002 was faster for property crime than violent crime, but after 2002 both types of crime have fallen by about a quarter.

**Table 1: Comparing committed crimes (British Crime Survey), recorded crimes and changes in the fear of crime over time**

	1997	2002	2009	Percentage change 1997-2009
<b>All Comparable property Crime</b>				
<b>Crimes recorded by the police (thousands)</b>	2,330	2,080	1,200	-52%
<b>Estimate of crimes committed (thousands)</b>	6,294	4,435	2,893	-46%
<b>Percentage of crimes recorded</b>	37%	47%	41%	+4%
<b>Percentage very worried about crime</b>	21%	16%	11%	-10%
<b>All Comparable violent crime</b>				
<b>Crimes recorded by the police (thousands)</b>	290	330	448	+54%
<b>Estimate of crimes committed (thousands)</b>	1,138	1,003	836	- 27%
<b>Percentage of crimes recorded</b>	25%	33%	54%	+29%
<b>Percentage very worried about crime</b>	25%	21%	13%	-12%

Source: Crime in England and Wales 2009/10 – the ‘all comparable property crime’ category includes burglary, all vehicle thefts (excluding interference and tempering), bicycle theft and theft from the person; the ‘all comparable violent crime’ includes less serious wounding and robbery. Worry about property crime is based on burglaries and vehicle crime; worry about violent crime is based on all violent crimes. Note that there are breaks in series for recorded crime (see below).

Trends in recorded crime are harder to judge because of improvements in the way crime is measured as noted above. For example, only 25% of violent crimes committed were recorded in 1997, but 54% were recorded in 2009. Thus although recorded violent crime appears to have increased (as committed crimes fell), this is due to changes in reporting and is therefore misleading<sup>3</sup>. Consistently with this interpretation, the proportion of

<sup>3</sup> Although the last change was in 2002, it seems that it took some time before the Home Office systems fully adjusted, so some of the apparent rise post 2002 is likely still linked to this change.

people who say they are very worried about crime has also fallen by around 12% since 1997, even for violent crime.

### **Reducing crime: more police?**

Since 1997, a net total of 17,000 extra police have been hired. There is a strong public perception that a greater police presence makes a society safer. But the impact of increasing police on reducing crime is hard to unravel: if more police are hired to combat crime, then crime may appear to be higher when there are greater numbers of police.

Examination of the Street Crime Initiative in 2002 suggests that more police resources can significantly reduce crime.<sup>4</sup> This policy allocated extra funds<sup>5</sup> to 10 of the 43 police force areas of England and Wales with a remit to use the funds to try to combat robbery. Because the Street Crime Initiative was introduced in certain areas and not in others, it is possible to compare what happened to robberies before and after the introduction across areas.

The research finds that these extra police resources did have a strong impact in reducing robberies by about 20%. The initiative was highly cost-effective with a net social benefit estimated at between £100 and £170 million a year. Key to this outcome seems to be a combination of extra manpower with the introduction of innovative police practices such as greater and more systematic inter-agency co-operation.

Investigation of surges in the number of police personnel deployed after the 7/7 terrorist attack in London in 2005 also suggests large effects of police patrolling the streets on crime.<sup>6</sup> The research compares differences in crime rates in Central and Outer London before and after the terrorist attack and finds that they fell by about 10 % where there was an increase in the number of police officers deployed. This is a second robust piece of evidence suggesting that police numbers are effective in reducing crime in England and Wales.

### **Reducing crime: more prisons?**

In December 2009, there were just over 84,000 individuals in custody in England and Wales, which represents 153 prisoners per 100,000 members of the population. The prison population has almost doubled in 20 years and the incarceration rate is 60% higher than that in France or Germany.

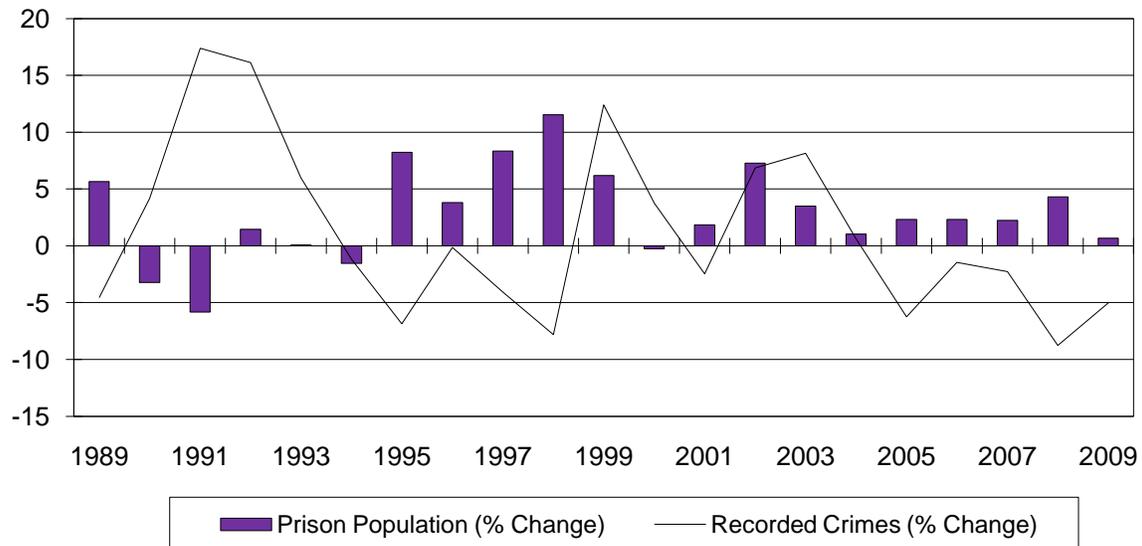
---

<sup>4</sup> Machin and Marie (Forthcoming).

<sup>5</sup> Just under £50 million over two years, mainly spent on police staffing.

<sup>6</sup> Draca, Machin, and Witt (Forthcoming).

**Figure 3: Changes in prison population and recorded crime 1989-2009**



**Source:** Offender Management Caseload Statistics 2008, Recorded Crime Statistics 1989-2002/03, and Crime in England and Wales 2008/09

Imprisonment can reduce crime through two channels. First, as offenders are in custody, they are removed from the street and unable to commit other crimes – the ‘incapacitation effect’. Second, the increased threat of punishment deters potential criminals from committing offences.

Figure 3 plots changes in prison population against changes in recorded crime. Although crime does appear to decrease when incarceration levels increase, there may be other factors driving both outcomes.

These figures also ignore re-offending rates, which may be better measures of the effectiveness of prison, especially in comparison with rehabilitation programmes. Recent research has, for example, shown that a large early release scheme in England and Wales (Home Detention Curfews) was successful in significantly reducing re-offending rates.<sup>7</sup>

There is also evidence that targeting and monitoring individuals who are responsible for committing large volumes of offences in their communities can reduce crime.<sup>8</sup> Examination of the effect of early introduction of the Prolific Offender Strategy in certain areas of the UK before it was rolled out in 2004 indicates that it had a substantial impact on reducing burglaries, the crime these type of offenders are most likely to commit.

### **Reducing crime: the impact of education and labour market policies**

A large body of evidence suggests that education and labour market opportunities influence criminal activity. Someone with a poor education and bleak labour market opportunities is more likely to commit a crime. This may be because, for property crimes, the potential financial gains outweigh the risks.

<sup>7</sup> Marie (2009).

<sup>8</sup> Machin and Marie (2007).

Most research findings point to a strong impact of economic conditions, in particular income inequalities, on crime. For example, in the 1980s, there were larger increases in crime in areas where low wages deteriorated most strongly.<sup>9</sup> The introduction of the national minimum wage in 1999 also appears to have reduced crime by improving the relative pay of the worst off workers.<sup>10</sup> By contrast, the relationship between crime and unemployment is more uncertain.<sup>11</sup>

Labour market policies are also potentially important for crime since they have the potential to alter economic incentives. Machin and Marie (2004) study the introduction of more stringent unemployment benefit requirements with the 1996 introduction of the Jobseeker's Allowance. There was a substantial drop in unemployment, but some of these individuals dropped out of the labour market and shifted into criminal activities.

Research also shows that improved education opportunities can reduce crime. Since the UK has one of the lowest post-compulsory participation rates in education in Western Europe, this could well be linked to higher crime rates for 16 to 18 years olds. There is research evidence that increases in the school leaving age in England and Wales (in 1947 and 1972) has had important long-term crime reduction effects.<sup>12</sup>

The Labour government introduced the Education Maintenance Allowance, which pays low-income pupils to stay in school, and this policy has had some success in improving their staying on rates.<sup>13</sup> An additional benefit is that in areas where the allowance was first introduced, juvenile property crime rates fell by more than in areas where it was not.<sup>14</sup>

Improving people's education opportunities therefore emerges as an important crime reduction policy. This works in two ways: first, by reducing crime by increasing people's potential future income; and second, by reducing crime participation while individuals stay involved in the education system.

## Conclusions

Total crimes committed significantly fell under the time of the Labour government. This was largely due to important reductions in property crimes, which represent the majority of offences committed. Fear of crime also receded in lockstep with this.

The apparent increase in recorded crime for serious offences is due to improvements in the way that crime is recorded by the police – 70% of serious crimes committed were recorded in 2008 compared to only 25% in 1997. Thus looking at trends from recorded crime can be highly misleading.

---

<sup>9</sup> Machin and Meghir (2004).

<sup>10</sup> Hansen and Machin (2002).

<sup>11</sup> Freeman (1999), Machin and Marie (2006).

<sup>12</sup> Machin, Marie and Vujic (2010).

<sup>13</sup> Dearden et al (2009).

<sup>14</sup> Feinstein and Sabates (2005).

Recent research shows that spending on police resources does reduce certain types of crime and there is therefore a risk of seeing crime rates rise again if police numbers (and hours of deployment) are reduced. This could be partly countered by improving the education and labour market position of the unskilled can also help, especially in the longer run.

There is far less evidence to support that changes in the prison population has crime reduction effects although certain early release packages appear to reduce re-offending behaviour successfully. Recent research also finds that targeting prolific offenders does reduce the rate of crimes they are most likely to commit in their community.

High income inequality and low education opportunities have emerged as important factors explaining the causes of crime. Certain policies introduced by the Labour government to tackle those causes appear to have had an indirect beneficial effect of reducing crime rates. It is therefore important to consider the short and long term impact on criminality when considering cutting funding to or entirely discarding these policies to relieve the current pressure on the public purse.

July 2010

***For further information***

Contact Olivier Marie: o.marie@lse.ac.uk; or Romesh Vaitilingam on 07768-661095 ([romesh@vaitilingam.com](mailto:romesh@vaitilingam.com))

## References

- Dearden, L, C Emmerson, C Frayne and C Meghir (2009) 'Conditional Cash Transfers and School Dropout Rates', Journal of Human Resources, 44(4): 827-57
- Draca, M, S Machin and R Witt (Forthcoming) 'Panic on the Streets of London: Police Crime and the July 2005', *American Economic Review*.
- Feinstein, L and R Sabates (2005) 'Effect of Government Initiatives on Youth Crime', Oxford Economic Papers, 60(3): 245-62
- Freeman, R (1999) 'The Economics of Crime', in O Ashenfelter and D Card (eds), Handbook of Labor Economics, Elsevier Science
- Hansen, K and S Machin (2002) 'Spatial Crime Patterns and the Introduction of the UK Minimum Wage', Oxford Bulletin of Economic and Statistics, 64: 677-97
- Machin, S and O Marie (2006) 'Crime and Benefit Sanctions', Portuguese Economic Journal (Special Issue on Labour Economics), 5, 149-65.
- Machin, S and O Marie (Forthcoming) 'Crime and Police Resources: The Street Crime Initiative', Journal of the European Economic Association.
- Machin, S and O Marie (2007) 'Reducing Crime by Targeting Prolific Offenders', CEP mimeo
- Machin, S, O Marie and S Vujic (2010) 'The Crime Reducing Effect of Education', CEP mimeo
- Machin, S and C Meghir (2004) 'Crime and Economic Incentives', Journal of Human Resources, 39(4): 958-79
- Marie, O (2009) 'Early Release and Recidivism: A Regression Discontinuity Approach', CEP mimeo
- Walker, A, J Flatley, C Kershaw and D Moon (2009) 'Crime in England and Wales 2008/09', Home Office Statistical Bulletin 11/09.