

There has been a substantial fall in rates of property theft and violent crime in the UK. **Mirko Draca** surveys a series of CEP studies that shed light on this transformation – what BBC home editor Mark Easton has labelled the country’s ‘riddle of peacefulness’.

# The UK’s ‘riddle of peacefulness’: what explains falling crime?

**P**ublic perceptions of crime rates and discussions in the popular media tend to suggest that crime is a growing problem in the UK. Yet the statistics tell a consistent story that is precisely the opposite: crime has fallen according to both the measure officially recorded by the police and the measure based on ‘crimes committed’, as reported by individuals in the British Crime Survey.

Particularly notable is the fall in property crime by around 40-50% between the late 1990s and the late 2000s. While changes in record-keeping make it difficult to pin down long-run trends in violent crime, there were still very clear drops in the late 2000s.

No single factor can be isolated as the main cause of these falling crime rates.

But our research shows that increased spending on police resources reduces certain types of crime, especially when linked to the introduction of new policing strategies, such as the Street Crime Initiative, a programme of allocating extra police resources to selected areas.

We also find that crime reduction is helped by policies that improve the education and labour market position of the unskilled. These include the introduction of the national minimum wage and increases in the school leaving age.

## More police

While it is intuitively obvious that increased police numbers should lead to lower crime, the size of this effect is hard to determine. Empirical researchers face the challenge of distinguishing causation

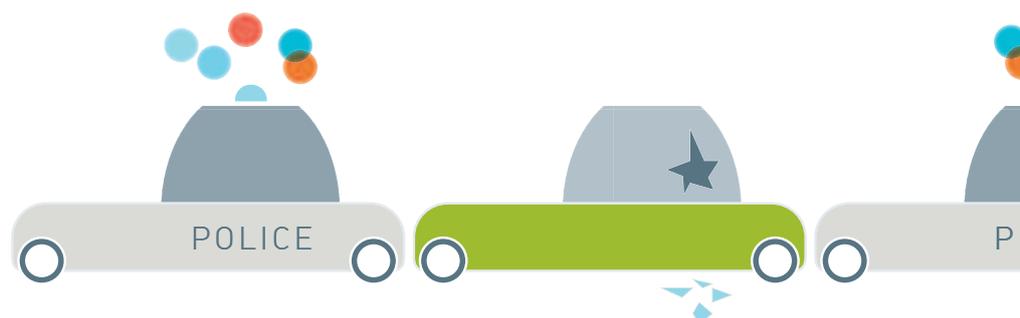
from correlation. In most data, there is a strong positive relationship between police and crime, but this is typically because policy-makers naturally allocate more police to high crime areas.

In the wake of the July 2005 London bombings, we were able to use the ‘natural experiment’ of increased police deployments in some parts of the city to estimate the causal effect of police on crime (Draca et al, 2011). We estimated an elasticity of -0.3 – that is, a 10% increase in police could be expected to reduce crime by 3%.

Another CEP study analysed the Street Crime Initiative (Machin and Marie, 2011). This led to substantial falls in crime of around 20% with a net social benefit of £100-170 million per year.

Given that overall police resources have

Increased police numbers combined with new policing strategies have reduced crime



increased in the past 15-20 years, we can expect that this had a major effect in lowering crime rates. While it is hard to account for the effectiveness of every pound spent and every programme implemented, our research shows strong effects due to some common and representative policy tools wielded by the police.

### Tackling the causes of crime

In the mid-1990s, Tony Blair repositioned the Labour party's policy on crime by declaring that his government would be 'tough on crime and tough on the causes of crime'. This was a powerful idea for crime policy and I would argue that it is a forgotten part of the debate on crime that should get more attention. Government policies aimed at improving education and 'making work pay' have indirect effects on crime reduction and while the size of the effects is hard to judge, the evidence suggests that this could be an important factor in answering the 'riddle of peacefulness'.

One of the key research findings is that it is not unemployment that matters for crime as much as wages. The crucial insight is that wages summarise the state of the labour market and the 'outside opportunities' of people who might decide to commit a crime.

One CEP study showed the importance of the low wage labour market (Machin and Meghir, 2004). The key figure here is local wages at the 25th percentile of the labour market – that is, wages at the top of the band for the 25% lowest paid workers. The research found that crime rates were lower by 0.8% in areas where wages at the 25th percentile were higher than the average. Hence policies such as the minimum wage can have an impact on crime rates as well as living standards.

There is a similar story in education. Improving young people's education opportunities works in two ways: first, by increasing people's potential future income; and second, by reducing crime participation while individuals stay involved in the education system.

CEP research found that a 1% fall in the proportion of men with no qualifications was associated with a fall in crime of between 0.85% and 1%. This work used the big institutional reforms of the school leaving age in 1947 and 1972 as a setting to make this causal estimate of the impact of education (Machin et al, 2011).

### Crime policy for the 2010s?

The evidence suggests that there is no definitive answer to the 'riddle of peacefulness'. I have focused on two factors – police resources and the UK's socio-economic structure – both of which are very important for contemporary debates.

High levels of income inequality and low levels of educational opportunity have emerged as critical for explaining the underlying causes of crime. Certain policies introduced over the past 15 years to tackle those causes appear to have had the indirectly beneficial effect of reducing crime rates.

But as the economy struggles to emerge from recession and inequality worsens, we can expect crime rates to level out and potentially rise. Similarly, as the big increases in police resources of the 1990s and 2000s are scaled back, it is inevitable that 'something will give' on crime rates. So it is important to consider the short- and long-term impact on criminality when considering cutting funding or entirely discarding these policies to relieve current pressures on the public purse.

**Mirko Draca** is at the University of Warwick and a research associate in CEP's productivity and innovation programme.

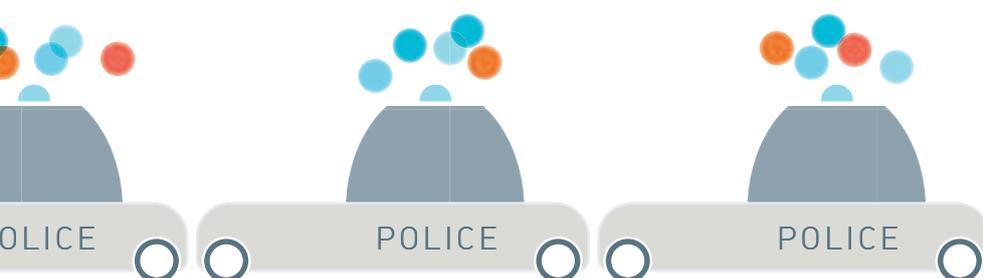
### Further reading

Mirko Draca, Stephen Machin and Robert Witt (2011) 'Panic on the Streets of London: Police Crime and the July 2005 Terror Attacks', *American Economic Review* 101(5): 2157-81; earlier version available as CEP Discussion Paper No. 852 (<http://cep.lse.ac.uk/pubs/download/dp0852.pdf>).

Stephen Machin and Olivier Marie (2011) 'Crime and Police Resources: The Street Crime Initiative', *Journal of the European Economic Association* 9(4): 678-701; earlier version available as CEP Discussion Paper No. 680 (<http://cep.lse.ac.uk/pubs/download/dp0680.pdf>).

Stephen Machin, Olivier Marie and Suncica Vujic (2011) 'The Crime Reducing Effect of Education', *Economic Journal* 121: 463-84; earlier version available as CEP Discussion Paper No. 979 (<http://cep.lse.ac.uk/pubs/download/dp0979.pdf>).

Stephen Machin and Costas Meghir (2004) 'Crime and Economic Incentives', *Journal of Human Resources* 39(4): 958-79.



Policies aimed at improving education and 'making work pay' have the indirect effect of reducing crime