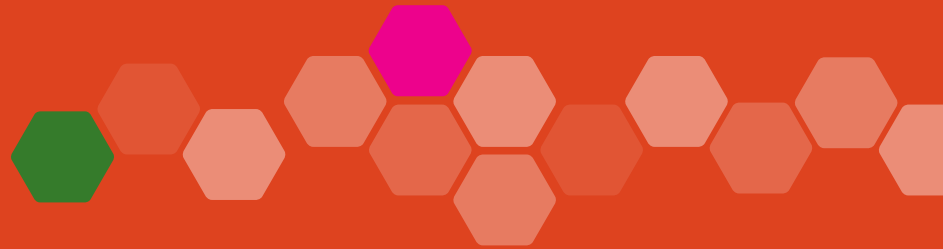


Occasional Paper: The Cost Crisis and Crime in Scotland



CRIME AND JUSTICE

Executive Summary

- There is an ongoing cost of living crisis in Scotland, and the rest of the United Kingdom, which is characterised by higher energy costs, higher food and other household costs and real term pay decreases. This paper focuses on the relationship between this cost crisis and crime in Scotland.
- The academic evidence is by no means conclusive in favour of a certain economic variable having a relationship with *overall* or *total* crime. This is an important finding as it dispels the idea that worsening economic conditions will inevitably result in a rise in crime.
- Unlike the recessions of the 1980s, the 1990s and 2008 which brought periods of higher unemployment and decreasing inflation, the current cost crisis is characterised by increasing levels of inflation, combined with low levels of unemployment. Therefore, whilst the existing literature helps us to understand how previous economic shifts have impacted upon crime in the past, any attempts to use this literature to predict the impact of the cost crisis on crime is methodologically unadvisable. We must rely on present day data to monitor crime trends during this current period of cost crisis in Scotland.
- Gross Domestic Product is too broad a measure when it comes to determining the impact of the economy on crime. Therefore, we must specify and explore how changes in specific economic variables impacts upon crime.
- For example, analysis undertaken by Scottish Government statisticians explored the relationship between levels of unemployment in Scotland, all recorded crime, and some specific crime types from 1971 until the present day. The analysis found a strong positive linear correlation between unemployment and overall recorded crime, housebreaking and, theft of a motor vehicle. Considering forecasted increases in unemployment, this relationship is noteworthy.
- We know from the academic evidence that relative falls in the **wages** of low wage workers increases rates of property and violent crime. This finding has present-day relevance given recent real-term falls in wages as a result of the cost crisis.
- The academic evidence also tells us that increases in **inequality** and **poverty** rates increase the rates of property crime and violent crime. However, it is not yet clear how these two economic variables are being affected by the cost crisis and therefore if, and how, they may impact upon crime.
- Non-economic factors play a significant role with regard to fluctuations in overall crime rates as well as rates of specific crime types and are impossible to precisely disentangle from the economic factors that impact upon crime. Such factors include the COVID-19 pandemic, the number of police officers, and population demographics.
- For example, analysis undertaken by Scottish Government statisticians found a strong, positive, linear correlation between the proportion of young men (16-24) in the population and overall recorded crimes of housebreaking and theft of a motor vehicle. Population forecasts tell us that over the next 10 years the size of this group is projected to steadily increase.
- This paper's case study on housebreaking further explores this phenomenon of economic and non-economic factors impacting upon the rates of specific crimes. The case study suggests that housebreaking, an acquisitive crime, may not be

susceptible to the cost crisis. This contrasts with findings from the academic evidence review and suggests the presence of non-economic factors that are acting to limit any rise in housebreaking.

- That being said, analysis demonstrates a rise in overall recorded crime and Crimes of Dishonesty that may be the result of cost crisis pressures. It is unclear, however, whether crime is simply returning to pre-pandemic levels. Of particular note is the large uplift in shoplifting, which increased by 21% in the year ending June 2023, when compared to the previous year.
- With regard to next steps, a second occasional paper will be published in 2024 which will draw on the latest Police Recorded crime data and the Scottish Crime and Justice Survey data and will focus on the impact of the cost crisis on violent crime and domestic abuse in addition to revisiting the crime types identified in this paper.

Introduction

This occasional paper explores the relationship between macroeconomic performance and crime. It first presents a summary of the academic literature on a range of economic variables and crime, specifically in relation to previous periods of economic downturn. Emergent themes from the literature are then further explored using the latest crime statistics to monitor trends during this current period of cost crisis.

The central focus of this first occasional paper is economic performance and crimes against property, including acquisitive crime. A second paper will follow the publication of the 2021/22 Scottish Crime and Justice Survey and will further consider violent crime and domestic abuse, in addition to revisiting the crime types identified in this paper.

There is an ongoing cost of living crisis¹ in Scotland and the rest of the United Kingdom, which is characterised by higher energy costs, higher food and other household costs, and real term pay decreases. Cost pressures have been apparent since late 2021 and in October 2022 the inflation rate reached a 41-year high of [11.1%](#). It has now fallen to [6.7%](#) (CPI, August, 2023), down from [10.1%](#) in March. However, food and non-alcoholic beverage prices are rising at a fast rate (prices rose [17.4%](#) over the year to June, [13.6%](#) over the year to August). Analysis by the [Resolution Foundation conducted in May 2023](#) argues that 'the food price shock is about to overtake the energy price shock as the biggest threat to family finances'. [Polling](#) shows that the cost of living crisis is high in the public consciousness and an issue of significant and continued concern. Inflation is expected to reduce over the course of 2023, however, lower inflation does not mean prices fall, rather prices increase less rapidly.

Furthermore, there will be ongoing, long-term consequences for those that have mortgages. According to the Bank of England, around a million households with a fixed-rate mortgage will see their monthly repayments go up by about £500 by the end of 2026². This means that the full effects of the Bank of England's interest rate rises have not yet been felt and that we are yet to see a dramatic rise in borrowing costs for homeowners and a resulting hit to their living standards. In addition, renters may also be impacted by landlords passing on these higher costs by pushing up rents at some of the fastest rates on record³.

The paper is structured into two parts. Part One provides an overview of the existing evidence on how macroeconomic performance affects crime. Part Two summarises the latest position for those crime types evidenced to be impacted by economic performance, as identified in Part One.

¹ Also referred to simply as the 'cost crisis' to acknowledge the significant pressures on businesses, public and third sector services, as well as households.

² [BBC News: 'Mortgage payments set to jump by £500 for one million households', 12/07/2023.](#)

³ [The Guardian: 'UK homeowners face huge rise in payments when fixed-rate mortgages expire', 17/06/2023.](#)

Part One: Existing Evidence

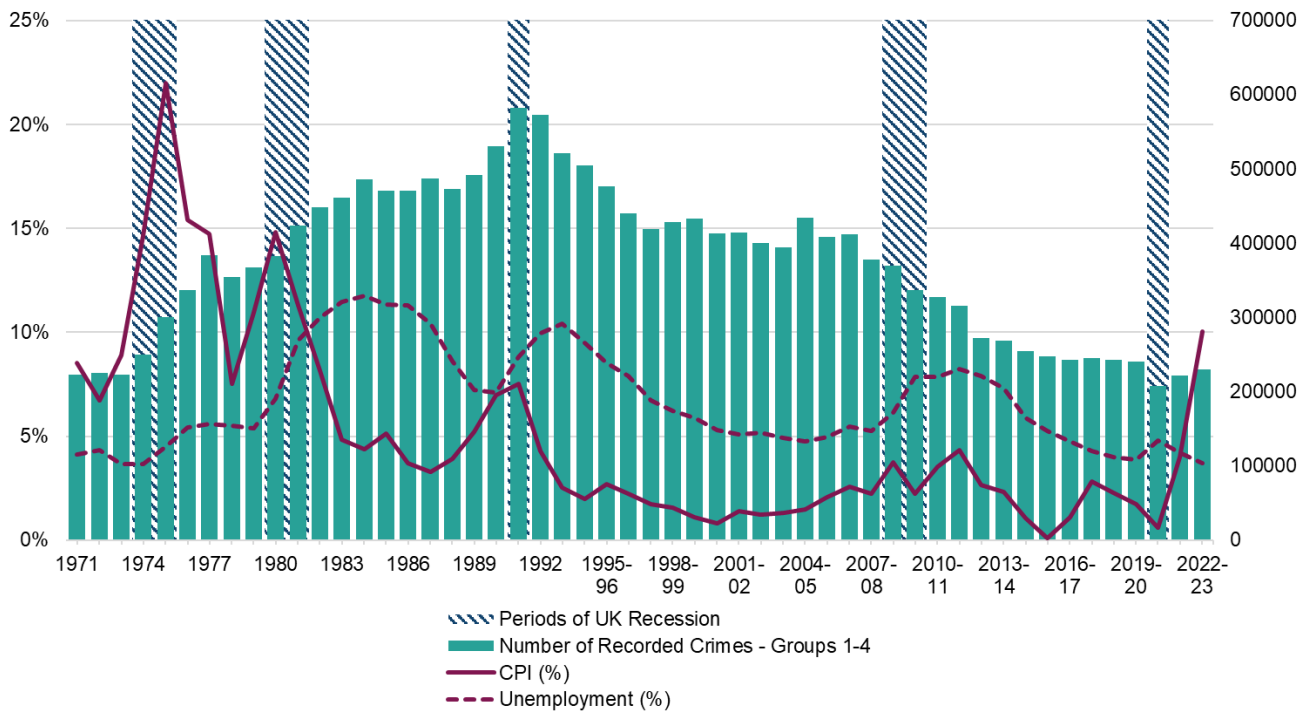
Applicability of Existing Evidence to Current Cost Crisis

In 2010 the Scottish Government published a [paper](#) that explored crime and macroeconomic performance in Scotland, it found that the available literature “while extensive is unable to come to a definitive conclusion regarding the association between crime and the economy” and that ultimately “there is no certain link between economic performance and crime”. The following section will draw on that paper, in addition to more recent academic sources, to elaborate on this conclusion and to unpick the different economic variables (recession, unemployment, wages, inequality, poverty and consumption) and their specific relationship with crime.

A country’s overall economic performance can be measured in a number of different ways including, but not limited to, poverty rates, unemployment rates, wage rates, inflation rates, and its gross domestic product (GDP). As such, when exploring the relationship between macroeconomic performance and crime we are in fact exploring the relationship between these different economic variables and crime. This is relevant because different periods of economic downturn are characterised by different shifts in these variables. Figure 1, below, outlines inflation, unemployment, and recorded crime rates from 1971 until the most recently available figures in 2022-23. It is clear from the Figure that the recessions of the 1970s saw rising inflation and low unemployment. Conversely, the recessions of the 1980s, the 1990s and 2008 brought periods of higher unemployment and decreasing inflation. The current period of economic downturn, the cost crisis, is closest to the circumstances of the early 1970s – increasing levels of inflation, combined with relatively lower levels of unemployment.

Consequently, when attempting to learn from the past it is important not to equate all periods of economic downturn and, instead, explore how past changes in specific economic variables have impacted upon both overall recorded crime and specific types of crime. Furthermore, it is important to flag the uncertainty around the magnitude of change created by economic factors. Whilst the following pages discuss an empirical link between crime and specific economic variables, the evidence rarely describes how strong the impact of changes in economic factors is.

Figure 1: Recorded Crime Groups 1-4, Consumer Price Index and Unemployment, 1971 to 2022-23.



Recession and Crime

‘Recession’ is the term used to describe the shrinking of an economy over two consecutive three month periods (or two quarters). Scotland was at risk of a recession after the economy shrank by 0.3% in Quarter 3 of 2022, however, a recession was narrowly avoided as GDP grew by 0.2% in Quarter 4 of 2022 and by 0.4% in Quarter 1 of 2023⁴. Scottish GDP continued to grow, by 0.2%, in the three months to April, slightly slowing from the growth rate in Quarter 1. The Scottish Government’s [Monthly Economic Brief for June 2023](#) noted that Scottish economic activity has recovered from the fall in the second half of 2022, with latest data indicating that economic output remains more resilient than initially forecast.

Whilst Scotland is not currently in a recession it has recently experienced a quarter of shrinkage followed by a period of limited growth and therefore research exploring the relationship between recession and crime is relevant. However, the academic literature on the subject is largely inconclusive - some authors claim there is no high-level relationship between recession and overall crime rates^{5,6}, whilst others claim there is a relationship when additional specific data are considered, such as crime type, per capita income and the population of young men⁷. Overall, it is reasonably commonplace for the literature to have contrasting viewpoints and therefore it is difficult to make definitive statements on recession and crime, even when limiting scope to specific crime types and reviewing a variety of evidence sources. The most common explanation for this inconsistency in the

⁴ [Scottish Government, Economy and Labour Market, Scotland’s GDP 2023, Quarter 1 First Quarterly Estimate](#)

⁵ [Krisberg, B., Guzman, C. and Vuong, L. \(2009\). Crime and Economic Hard Times. National Council.](#)

⁶ [Uggen, C. \(2012\). Crime and the great recession. Recession Trends. Stanford, CA: Stanford Center on Poverty and Inequality.](#)

⁷ [Field, S. \(1999\). Trends in Crime Revisited. Home Office Research Study.](#)

findings is that GDP may be too broad an indicator and not a proximate cause of criminal activity dynamics, in contrast to alternative indicators such as unemployment and low wages.

Unemployment and Crime

Despite the volume of research exploring this area, the relationship between *overall* or *total* crime and unemployment is ambiguous. The evidence appears to be equivocal, with a variety of studies finding contradictory results⁸.

When we look at how unemployment impacts upon different *types* of crime we find more uniformity within the literature. Raphael & Winter-Ebmer (2001) state that “higher unemployment unambiguously increases property crime rates”⁹. Similarly, Levitt (2004) reviews a number of studies and finds that almost all of them “report a statistically significant but substantively small relationship between unemployment rates and property crime” and goes on to state that a “typical estimate would be that a one percentage point increase in the unemployment rate is associated with a one percent point increase in property crime”¹⁰.

Both Raphael et al. (2001) and Levitt (2004) agree that violent crime, on the other hand, *does not* vary systematically with the unemployment rate and that the relationship between these two variables is weaker. Nordin & Almen (2017), however, have undertaken a study that is the first to focus explicitly on the effect of long-term unemployment on crime and find that it “shows a strong association with violent crime, an effect which is greater than that of total unemployment on property crime”¹¹. Nordin & Almen (2017) say this relationship cannot be explained by conventional theories on the economics of crime and hypothesise that long-term unemployment “creates a feeling of alienation that fosters violent and other non-rational behaviours”¹². Recent research published by the Scottish Government on [Repeat Violent Victimization](#) also discusses this relationship between alienation and violence and finds that specific policy decisions and institutional practices can foster “a sense of alienation, humiliation and anti-authority sentiment in marginalised communities, which in turn has an impact on violent offending (as well as police reporting and access to victim support)”.

A further confounding variable when seeking to understand the effect of unemployment on crime is the impact of population demographics and specifically the proportion of young people within a population. It is widely acknowledged that the number of young people within a population impacts upon the crime level¹³. Britt (1997) investigates the joint influence that age and unemployment may have on rates of criminal behaviour and finds

⁸ Fallahi, F., Rodriguez, G. (2013). ‘Link between unemployment and crime in the US: A Markov-Switching approach’, *Social Science Research*, 45: 33-45.

⁹ Raphael, S. & Winter-Ebmer, R. (2001). ‘Identifying the Effect of Unemployment on Crime’, *The Journal of Law & Economics*, 44: 259-283.

¹⁰ Levitt, S. (2004). ‘Understanding Why Crime Fell in the 1990s: Four Factors that Explain the Decline and Six that Do Not’, *Journal of Economic Perspectives*, 18: 163-190.

¹¹ Nordin, M., Almen, D. (2017). ‘Long-term unemployment and violent crime’, *Empirical Economics*, 52: 1-29.

¹² Ibid.

¹³ Field, S. (1999). *Trends in Crime Revisited*. Home Office Research Study. & Raphael, S. & Winter-Ebmer, R. (2001). ‘Identifying the Effect of Unemployment on Crime’, *The Journal of Law & Economics*, 44: 259-283.

that “unemployment has a greater motivational effect on property crime among youth and young adults”¹⁴. It is important to acknowledge, therefore, that unemployment does not have a singular relationship with crime but rather it can be considered as one of a number of indicators that, in combination, might lead to higher crime rates. Research conducted on the 2008 recession and crime in Greater Manchester supports this view. The researchers state it is easier to determine which *local areas* are more likely to experience an increase in crime, rather than if an increase in crime is likely at all¹⁵. Local areas likely to experience an increase in crime can be identified using the following indicators:

1. The comparative proportion of young people aged 18-24 in the overall population within a specific locale;
2. Unemployment rate, particularly unemployed young men;
3. The comparative deprivation of the local area; and,
4. Expected cuts to local government expenditure, which may impact unemployment and the support available to the most vulnerable.

Therefore, the relationship between unemployment and crime is multi-layered and unemployment may be best understood as one of a number of factors that may contribute toward an increasing crime rate.

Analysis undertaken by Scottish Government statisticians explored the relationship between levels of unemployment in Scotland, all recorded crime and specific crime types including housebreaking and theft of a motor vehicle from 1971 until the present day. A strong positive linear correlation was observed between unemployment and overall recorded crime¹⁶ (0.706), unemployment and housebreaking (0.698) and unemployment and theft of a motor vehicle (0.523). Whilst it is not possible to infer any causal relationship between these variables, the observations align with findings from the literature review.

The latest [Labour Market Trends bulletin](#) from August 2023 states the estimated unemployment rate for people aged 16 years and over in Scotland was 4% in April to June 2023. This is 0.2 percentage points down on December 2019 to February 2020 (pre-pandemic) but up 0.9 percentage points over the quarter. Scotland’s unemployment rate was below the UK rate of 4.2%. There has been recent media coverage quoting Kitty Ussher, chief economist at the [Institute of Directors](#), that states there will be a rising UK unemployment rate, fuelled by businesses hesitating to hire on account of their high costs and cash-strapped consumers¹⁷. This aligns with forecasting by the Bank of England that

¹⁴ [Britt, C.L. \(1997\). ‘Considering the Unemployment and Crime Relationship: Variation by Age Group and Historical Period’, *Journal of Quantitative Criminology*, 13: 405-428.](#)

¹⁵ [Fox, C., Albertson, K., Ellison, M. & Martin, T. \(2011\). ‘How will the recession affect crime rates in Greater Manchester?’, *Safer Communities*, 10: 17-30.](#)

¹⁶ The figure for recorded crime excludes Group 5 (crimes against society). This is due to the possibility that police activity and operational decisions can have some influence on the volume of crime recorded in this group (such as drug possessions identified on police patrols). Group 2 (sexual crimes) has also been excluded. This group is subject to legislative changes which have had some impact on what crimes are recorded. Figures may also have been affected by societal changes such as increased access to technology, meaning that cyber-sexual crime has become more prevalent in recent years, as well as an increased willingness to report recent and historic instances of sexual crime.

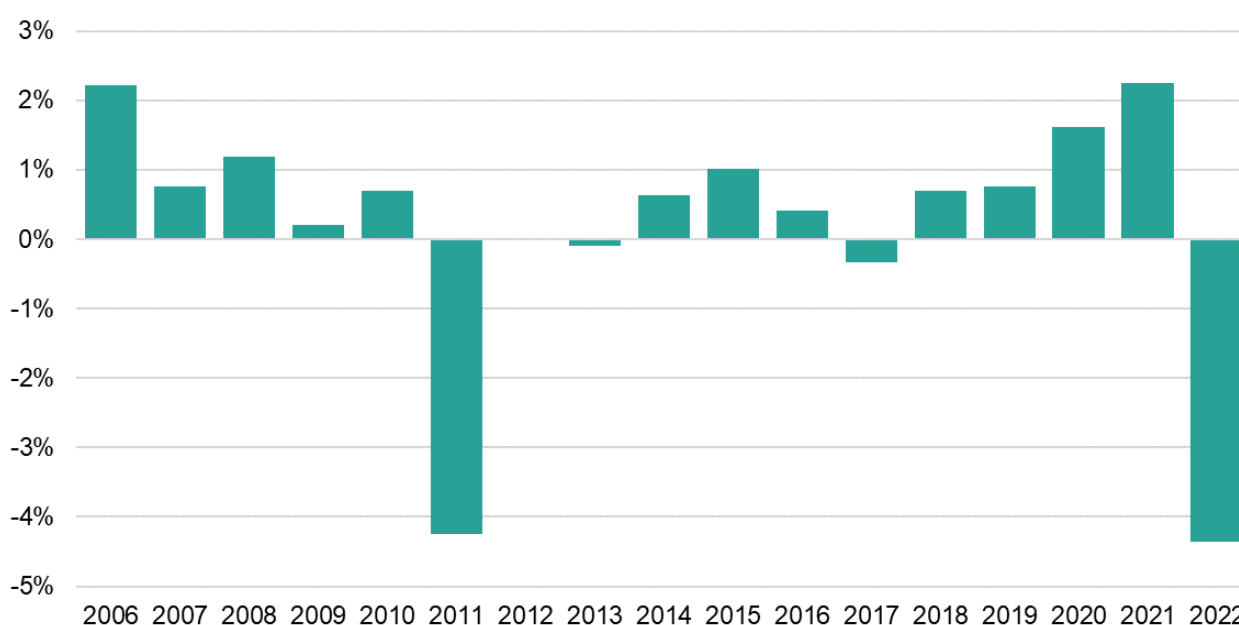
¹⁷ [Guardian. 16th May 2023. ‘CMA denies blocking Microsoft-Activision deal is bad for UK’s reputation; unemployment rises – as it happened’.](#)

predicts the UK unemployment rate will rise to 4.3% by 2024 Q3 and to just under 5% by 2026 Q3¹⁸. Therefore, this may be an area for further consideration in future.

Wages and Crime

We know that despite unemployment levels in Scotland remaining relatively low (4%) the cost crisis is characterised by [real term pay decreases](#) with the effects of inflation being felt most acutely by low income households. Figure 2, below, illustrates the considerable real term pay decreases that occurred in 2022.

Figure 2: Annual Percentage Change in Median Full-time Weekly Earnings (adjusted for inflation), Scotland



The wage level, and in particular the level of low wages, is considered an economic factor that can explain variation in criminal activity.

Machin & Meghir (2004) use data on the police force areas of England and Wales between 1975 and 1996 in order to explore the role that economic incentives, particularly changes in wages at the bottom end of the wage distribution, play in determining crime rates for property and vehicle crime. They find that “(relative) falls in the wages of low-wage workers lead to increases in crime”¹⁹. Furthermore, they state that their findings align with recent evidence from the US that suggests the “low-wage labour market may, in fact, matter more for crime than unemployment”²⁰. This is particularly relevant when considering the impact of the cost crisis as it is characterised by low wages as opposed to high unemployment.

Gould et al. (2002) look at changes in crime rates in the US from 1979 to 1997 and explore whether these can be explained by changes in the labour market opportunities for those most likely to commit crime, unskilled or less educated men. They find that crime rates are

¹⁸ [Bank of England, Monetary Policy Report, August 2023.](#)

¹⁹ [Machin, S., Meghir, C. \(2004\). ‘Crime and Economic Incentives’ in *The Journal of Human Resources*, XXXIX: 958-929.](#)

²⁰ *Ibid.*

significantly determined by wages and that “a sustained long-term decrease in crime rates will depend on whether the wages of less skilled men continue to improve”²¹. Notably their findings are robust to the inclusion of deterrence variables, including arrest rates and police expenditures, as well as controlling for individual and family characteristics. Closer to home, Hansen & Machin (2003) look at the introduction of the national minimum wage in the UK in 1999 to determine whether there is a link between crime and the labour market. They find that there is a statistically significant relationship, there were “relative crime reductions in areas that initially had more low wage workers” following the introduction of the minimum wage²² and that this holds when controlling for other relevant determinants of crime. Ultimately, they conclude that altering wage incentives can affect crime rates.

More recently, Tiratelli et al. (2022) explore the impact of the introduction of Universal Credit across England and Wales on crime. Universal Credit was a far-reaching reform to Britain’s social security system that lowered incomes for most claimants²³. They found that as Universal Credit enrolments increase in a given area, so does the crime rate and that these findings hold for total crime, property crime *and* violent crime. They argue that their findings suggest that Universal Credit “seems to have exacerbated the discrepancy between what society promises and the standard of living that is actually available, increasing the pool of motivated offenders and the level of crime”²⁴.

Each piece of reviewed evidence establishes a strong link between low wages and crime, with Tiratelli (2022) finding this relationship for total, property and violent crime.

Inequality and Crime

Closely related to the consideration of how low wages impact upon crime is the issue of income inequality. In the latest period in Scotland²⁵, there has been an increase in household incomes for the top 30% and a fall in income for the bottom 60%²⁶. It should be noted, however, that the Scottish Government’s preferred measure of income inequality, the Palma ratio (which looks at total income of the top 10% and divides this by the total income of the bottom forty percent of the population) is falling and the Gini coefficient²⁷,

²¹ [Gould, E.D., Weinberg, B.A. & Mustard, D.B. \(2002\). ‘Crime Rate and Local Labor Market Opportunities in the United States: 1979-1997’ in *The Review of Economics and Statistics*, 84: 45-61.](#)

²² [Hansen, K., Machin, S. \(2003\). ‘Spatial Crime Patterns and the Introduction of the UK Minimum Wage’ in *Oxford Bulletin of Economics and Statistics*, 64: 677 – 697.](#)

²³ [Tiratelli, M., Bradford, B. & Yesberg, J. \(2022\). ‘The Political Economy of Crime: Did Universal Credit Increase Crime Rates?’ in *The British Journal of Criminology*, XX: 1-18.](#)

²⁴ Ibid.

²⁵ The Scottish Government uses three-year averages to look at trends in income and poverty in Scotland. A key issue to be aware of in using this data is that, due to the missing data for 2020-21, the only three-year period that includes the impact of the pandemic is 2019-2022, which includes data only for 2019-20 and 2021-22.

²⁶ [Update on poverty and income statistics for scotland 2021-22 | FAI \(fraserfallander.org\)](#)

²⁷ The Gini coefficient measures income inequality on a scale from 0% to 100%. A Gini of 100% means that only one person has an income, and everyone else has none. A Gini of 0% means that everyone has the same income. The Gini coefficient of inequality is widely used, and it is based on the whole distribution. But it is sometimes considered overly sensitive to changes in the middle, and not sensitive enough to changes at the top and the bottom.

another measure of income inequality, is also falling over the same period²⁸. Therefore, it is not entirely clear what the impact of the cost crisis on inequality has been.

With regard to inequality's impact on crime, however, the literature is less ambiguous: a rise in inequality often corresponds to a rise in crime.

Whitworth (2011) uses multilevel modelling to explore the relationship between inequality and five crime types (burglary, robbery, violence, vehicle crime, and criminal damage) at sub-national level across England, between 2002 and 2009. He finds that, after controlling for other factors, inequality is significantly and positively associated with increased levels of all five crime types, and the effects are larger for acquisitive crime types²⁹.

Kelly (2000) also considers the relationship between inequality and crime yet finds that whilst inequality has a strong and robust impact on violent crime, including robbery, it has no effect on property crime which is, instead, significantly affected by both poverty levels and police activity³⁰. This contradicts Choe's (2008) finding that there is a strong and robust effect of relative income inequality on burglary³¹. Kelly (2000) does, however, acknowledge that the geographical units analysed within his study were relatively large and that further analysis is required to determine if at the neighbourhood level, local inequality translates into increased levels of property crime.

Wilkinson (2004) also identified a link between inequality and violence, explaining that "the most well-established environmental determinant of levels of violence is the scale of income differences between rich and poor"³². He goes on to explain this relationship by exploring how "inequality is socially corrosive", and ultimately establishing that social relationships in more unequal societies are less good, characterised by people trusting each other less and being less likely to be involved in community life.

Hicks & Hicks (2012) take an alternative approach to analysing the link between inequality and crime; instead of focusing on inequality of income (which is not easily observed) they focus on conspicuous consumption, or the visible manifestation of income. They find a robust association between the distribution of conspicuous consumption and violent crime, a more robust association between that found between crime and inequality³³. Their findings raise interesting questions about whether it is the inequality itself that drives the violent crime or rather the signalling nature of visible consumption behaviour.

²⁸ [Update on poverty and income statistics for scotland 2021-22 | FAI \(fraserofallander.org\)](#)

²⁹ [Whitworth, A. \(2011\). 'Inequality and Crime across England: A Multilevel Modelling Approach' in *Social Policy & Society*, 11: 27-40.](#)

³⁰ [Kelly, M. \(2000\). 'Inequality and Crime' in *The Review of Economics and Statistics*, 82: 530-539.](#)

³¹ [Choe, J. \(2008\). 'Income inequality and crime in the United States' in *Economics Letters*, 101: 21-33.](#)

³² [Wilkinson, R. \(2004\). 'Why is Violence More Common Where Inequality is Greater?' in *Annals New York Academic of Science*, 1036: 1-12.](#)

³³ [Hicks, D. L., Hicks, J. H. \(2012\). 'Jealous of the Joneses: Conspicuous Consumption, Inequality, and Crime' in *Oxford Economic Papers*, 66: 1090-1120.](#)

Poverty and Crime

There has been a slight increase in relative poverty when measured at the population level (currently at 21%) in Scotland between 2018-21 and 2019-22^{34,35}. The latest estimate is higher than in previous years, driven by a higher rate for working-age adults. It is yet unclear whether this is the beginning of a new trend, or if it is a volatile data point³⁶.

Poverty is, as Webster and Kingston (2014) explain, defined by a general lack of sufficient material resources³⁷. The Scottish Government defines a person as 'in poverty' if their equivalised net disposable household income is below 60% of the median household income. Poverty, therefore, is not the same as social mobility, well-being, or inequality.

McAra and McVie (2016) explore youth violence in Scotland, testing the relationship between violence and poverty. They find that poverty and violence are systematically linked; "those from low socio-economic status households had 1.5 times greater odds of involvement in violence than those from more affluent family backgrounds"³⁸. The authors suggest that violence, in this context, is being used by individuals as a means of asserting power and a sense of self as a result of having limited opportunities for gaining status in more "pro-social ways"³⁹. Gaitán-Rossi and Guadarrama (2021:4) have carried out a systematic review of the literature on the mechanisms that link poverty and crime. They find that "urban poverty is both a determinant of crime and a consequence" and that "crime is a central aspect of the conditions and experience of poverty"⁴⁰. The authors explore a number of mechanisms linking poverty and crime, and find, amongst other mechanisms that: "residing in communities of extreme poverty increases exposure to contexts of social disorder, reduces family social capital, and increases the likelihood that young people will commit a violent crime"⁴¹.

What remains a point of contention within the literature is how poverty and inequality interact to affect crime. As discussed above, Kelly (2000) found that the rates of property and violent crime behaved quite differently, with property crime being impacted by poverty, but not inequality, and violent crime being related to inequality. This complexity is also identified by DeCourson and Nettle (2021) who found that higher inequality is associated with higher crime, however, also noted that the "association between inequality and rate of property crime is fully mediated by the prevalence of poverty." Unpacking the specific links between inequality, poverty and crime is outwith the scope of this paper. With regard to

³⁴ [Update on poverty and income statistics for Scotland 2021-22 | FAI \(fraserofallander.org\)](#)

³⁵ The Scottish Government uses three-year averages to look at trends in income and poverty in Scotland. A key issue to be aware of in using this data is that, due to the missing data for 2020-21, the only three-year period that includes the impact of the pandemic is 2019-2022, which includes data only for 2019-20 and 2021-22.

³⁶ [Poverty and Income Inequality in Scotland 2019-22 \(data.gov.scot\)](#)

³⁷ [Webster, C. S., Kingston, S. \(2014\). *Anti-Poverty Strategies for the UK: Poverty and Crime Review, Project Report*. Joseph Rowntree Foundation.](#)

³⁸ [McAra, L., McVie, S. \(2016\). 'Understanding youth violence: The mediating effects of gender, poverty and vulnerability' in *Journal of Criminal Justice*, 45: 71-77.](#)

³⁹ Ibid

⁴⁰ [Gaitán-Rossi, P., Guadarrama, C. \(2021\). 'A systematic literature review of the mechanisms linking crime and poverty' in *Convergencia Revista de Ciencias Sociales*, 28: 1-25.](#)

⁴¹ Ibid

understanding the impact of the cost crisis, the key takeaway from the evidence is that both poverty and inequality are widely considered to be drivers of crime.

Consumption and Crime

Somewhat related to wages, employment and poverty, we can explore the impact of consumption on crime.

Some studies have found that in periods where consumption grows, acquisitive crimes appear to decline⁴². These studies suggest that in the short run, when consumption is increasing and acquisitive crimes are declining, the 'negative motivation effect' is occurring: individuals consume more, implying that they have higher resources to spend, hence less motivation to engage in acquisitive crime. It will only be at a successive stage, once more individuals possess more goods, that the 'positive opportunity effect' might occur – where there are a greater number of more 'profitable' targets for crime and therefore an increased expected payoff to engage in criminal activity⁴³.

If recessions and periods of economic downturn *tend* to bring about periods of declining consumption, these findings may suggest that acquisitive crimes are likely to *increase* on account of their being a higher motivation to engage in acquisitive crimes. However, what is notable and perhaps surprising about the current cost crisis is that despite real term pay decreases, consumption in the UK has increased since the same time last year, even if only very slightly.

The [latest ONS figures](#) for Household Final Consumption Expenditure (HHFCE), which includes all spending on goods and services by members of UK households, stated that in Quarter 2 (April to June) 2023, household spending growth (adjusted for inflation) was 0.5% compared with Quarter 1 (January to March) 2023; when compared with Quarter 2 2022, household spending increased by positive 0.2%.

This observation is a further reminder that each period of economic downturn is unique and that this uniqueness further complicates efforts to anticipate any relationship between the cost crisis and crime rates.

Non-economic factors that may impact on crime rates

When considering the relationship between economic factors and crime rates it is important to also acknowledge and consider the non-economic factors that can influence crime. Furthermore, it is essential to recognise the interplay between these economic and non-economic factors, acknowledging that ultimately it is very difficult, if not impossible, to disentangle these in order to attribute causation. Prominent non-economic drivers of crime can make it particularly hard to disentangle economic impacts. One historical example of this is the heroin epidemic of the 1990s which was a key driver of crime to the degree that it significantly limits our ability to understand other drivers of crime, both economic and non-

⁴² [Field, S. \(1999\). Trends in Crime Revisited. Home Office Research Study.](#) & [Hale, C. \(1998\). 'Crime and the Business Cycle in Post-War Britain Revisited', *The British Journal of Criminology*, 38: 681-698.](#)

⁴³ [Field, S. \(1999\). Trends in Crime Revisited. Home Office Research Study.](#)

economic, during this period⁴⁴. Non-economic factors that may impact upon crime in the present day include:

COVID-19

The nationwide lockdowns and other measures put in place to limit social contact during the COVID-19 pandemic are very likely to have had a significant impact on the type and volume of crime recorded since March 2020. A larger impact was seen during 2020-21, and to a lesser extent in 2021-22. The final legal restrictions were lifted in April 2022, suggesting a much more limited impact in 2022-23.

The [2020-2021 Police Recorded Crime bulletin](#) reports that all crimes, with the exception of those recorded under Coronavirus related legislation, collectively decreased by 8% from the previous recording year. Furthermore, Crimes of Dishonesty – including housebreaking, theft, shoplifting and theft of motor vehicle - decreased by 19% (a record annual fall). When determining the impact of the cost crisis on overall recorded crime and certain crime types it is, therefore, important to consider the impact of the COVID-19 pandemic, and to critically evaluate whether any rises in crime rates are simply a return to 'normal' levels post-pandemic or a result of the cost crisis.

Social Interaction

In the company of likeminded individuals, a sense of invulnerability and a willingness to violate social norms and take risks can materialise⁴⁵. If some individuals within a group or community engage in criminal activity and successfully modify the way the criminal act is perceived by their peers, rendering it an 'acceptable' act, then the crime may soon become an integral part of the social norms. These negative interactions may then spread across an area, forging the social norms present in that area at a given moment in time⁴⁶. If committing a given crime becomes socially common and more acceptable then it is more likely that an individual will commit the crime. A specific example of this might be changing attitudes towards domestic abuse. The [Scottish Social Attitudes Survey 2019: attitudes to violence against women](#) compares public attitudes to violence against women in 2014 with those of 2019. It finds that, for example, that there was a 10-percentage-point increase from 2014 to 2019 in the proportion of people who thought that rape within a marriage was 'very seriously wrong' and there was a significant increase from 39% in 2014 to 55% in 2019 in the proportion of people thinking it was 'very seriously wrong' for a husband to control what his wife wears. These changes in attitudes towards violence against women may impact the likelihood of these crimes to occur and also the likelihood of these crimes being reported to the police.

⁴⁴ [Home Office. \(2014\). 'The heroin epidemic of the 1980s and 1990s and its effect on crime trends – then and now'](#).

⁴⁵ [Glaeser, E.L., Sacerdote, B. & Scheinkman, J.A. \(1996\). 'Crime and Social Interaction', *The Quarterly Journal of Economics*, 111: 507-548.](#)

⁴⁶ [Ormerod, P. \(2005\). *Crime: Economic Incentives and Social Networks*. Institute of Economic Affairs: London.](#)

Number of Police Officers

Some, but limited, evidence exists that increasing numbers of police officers leads to a reduction in the rate of violent crime and, to a lesser extent, property crime⁴⁷.

Human Capital

Factors such as education, knowledge, and vocational skills are important variables in determining an individual's propensity to commit a crime, with schooling significantly reducing the probability of arrest and incarceration⁴⁸.

Technological Advancements

Advancements in technology have led to some crimes being more difficult to commit, and the relative decrease in the value of electronics has diminished the appeal and reward from the theft of these items⁴⁹. It should be noted, however, that technological advancements, especially in the field of information and communication technology (ICT), have also opened up new opportunities for crime⁵⁰.

Imprisonment

Imprisonment is accepted to have an incapacitation effect on crime, as when an individual is incarcerated they are unable to reoffend outwith the prison thus reducing crime rates⁵¹. There is mixed and ambiguous evidence relating to whether prison impacts upon crime rates through a deterrence mechanism⁵², when an individual is deterred from committing crime by the high probability of being imprisoned and the more severe the punishment.

Alcohol and Drug Consumption

The 2019/20 [Scottish Crime and Justice Survey](#) found that in 44% of violent incidents where victims were able to say something about the offender, the offenders were believed to be under the influence of alcohol. Relatedly, victims reported that just under one-in-three violent crimes (30%) involved offenders who were thought to be under the influence of drugs in 2019/20, unchanged from the first year of the survey (2008/09) and previous survey sweep (2018/19). Combining this data, in 2019/20 it was found that offenders were believed to be under the influence of alcohol and/or drugs in just over half (55%) of violent incidents where the victims were able to say something about the offender, this is a

⁴⁷ [Vollard, B., Hamed, J. \(2012\). 'Why the Police Have an Effect on Violent Crime After All: Evidence from the British Crime Survey', *The Journal of Law & Economics*, 55: 901-924.](#) & [Levitt, S. D., \(2002\). 'Using Electoral Cycles in Police Hiring to Estimate the Effects of Police on Crime: Reply', *American Economic Review*, 92: 1244-1250.](#)

⁴⁸ [Lochner, L., Moretti, E. \(2004\). 'The Effect of Education on Crime: Evidence from Prison Inmates, Arrests and Self-Reports', *American Economic Review*, 94: 155-189.](#)

⁴⁹ [Farrell, G. & Tilley, N. \(2016\). 'Technology for Crime and Crime Prevention: A Supply Side Analysis, *Crime Prevention in the 21st Century*: 377-388.](#)

⁵⁰ [Silalahi Nuth, M. \(2008\). 'Taking Advantage of New Technologies: For and Against Crime', *Computer & Law Security Review*, 24: 437-446.](#)

⁵¹ [Wermink, H., Apel, R., Nieuwebeerta, P. & Blokland, A.A.J. \(2013\). 'The Incapacitation Effect of First-Time Imprisonment: A Matched Samples Comparison', *Journal of Quantitative Criminology*, 29: 579-600.](#)

⁵² [Kleck, G., Sever, B., Li, S. & Gertz, M. \(2005\). 'The Missing Link in General Deterrence Research', *Criminology*, 43: 623-660.](#)

decrease on both the proportion in 2008/09 (68%) and 2018/19 (78%) but remains a factor in a sizeable proportion of violent incidents. Thus, we should consider alcohol and drug consumption to be a variable which may impact upon crime rates.

Population Demographics

The academic evidence tells us that crime rates increase as the proportion of young people, and specifically young men, increase within the population. Kelly (2000) explains that both property and violent crime are negatively influenced by the percentage of population aged 16-24⁵³ and Field (1999) notes that “thefts and burglaries are associated with the numbers of young males [...] for every 1 per cent increase in the number of males aged 15 and 20, burglary and theft increase by about 1 per cent”⁵⁴.

The Figure below depicts the population of males aged 16-24 as a proportion of the overall population. We can see that the proportion has decreased since 2011, which may have had an impact upon the crime rate within Scotland. [Data from the ONS](#) makes projections about how the size of this group will change in the future. It shows that over the next 10 years the size of this group is projected to steadily increase, which may influence the crime rate in Scotland in the years to come. It should be noted, however, that a 2019 Scottish Government publication, [‘Non-sexual violence in Scotland’](#), found that the notable reduction in non-sexual violence in the decade preceding 2019 has been “driven by a reduction in younger males’ involvement in violent crime”.

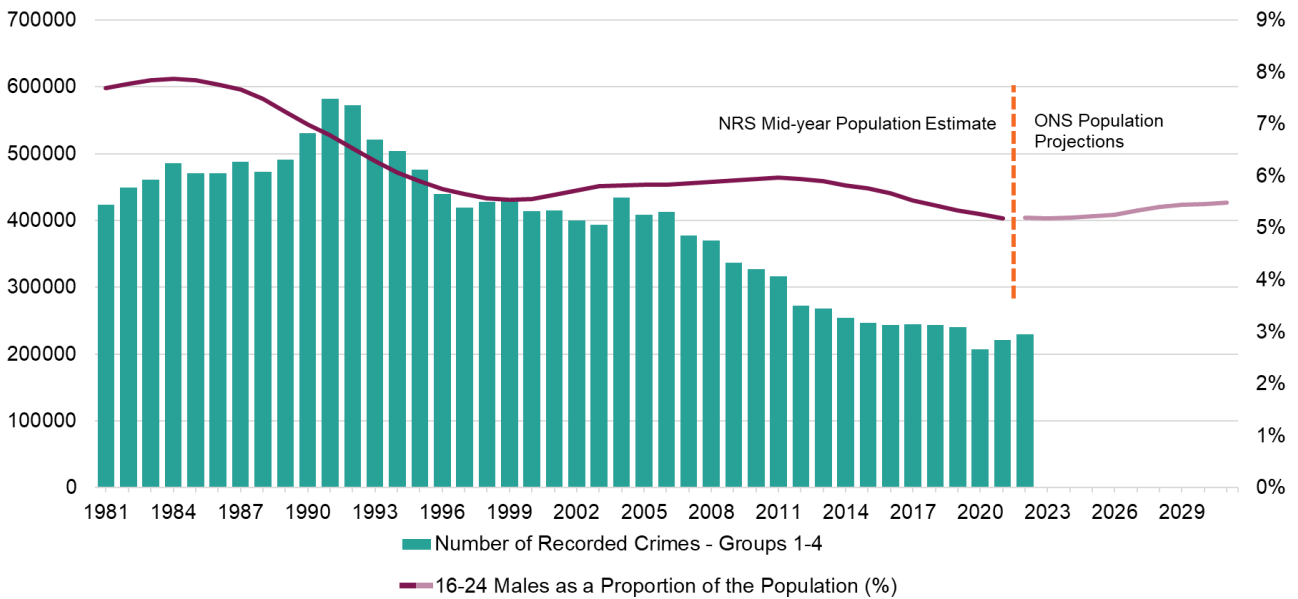
Analysis undertaken by Scottish government statisticians explored the relationship between the proportion of young men aged 16-24, overall recorded crime⁵⁵, housebreaking, and theft of a motor vehicle. A strong positive linear correlation was observed between the proportion of young men and overall recorded crime (0.604), proportion of young men and housebreaking (0.834), and proportion of young men and theft of a motor vehicle (0.640). Whilst it is not possible to infer any causal relationship between these variables, the observations align with findings from the literature review.

⁵³ [Kelly, M. \(2000\). ‘Inequality and Crime’ in *The Review of Economics and Statistics*, 82: 530-539.](#)

⁵⁴ [Field, S. \(1999\). *Trends in Crime Revisited*. Home Office Research Study.](#)

⁵⁵ The figure for recorded crime does not include all crime types. Group 5 (crimes against society) has been excluded from the analysis, this is due to the possibility that operational decisions by the police can influence the volume of crime recorded in this group.

Figure 3: Recorded Crime Groups 1-4 & 16-24 Males as a Proportion of the Population, Estimate and Projection



Case Study: Housebreaking

To more fully demonstrate both the complexity of analysing how the cost crisis is related to crime and the difficulty of disentangling economic factors from non-economic factors, we will explore in detail one specific type of acquisitive crime, **housebreaking**⁵⁶.

Based on the existing evidence related to crime and macroeconomic changes, as outlined in Part One, we can make a number of assumptions about what we might expect to see when looking at housebreaking over the course of the cost crisis. The academic evidence tells us that acquisitive crimes, including housebreaking, are associated with low wages, poverty and inequality. In short, low wages, an increasing poverty rate, and increasing inequality are all widely understood to increase acquisitive crimes. The current cost crisis in Scotland is characterised by decreases in real term pay⁵⁷, a slight increase in poverty when measured at the population level (currently at 21%)^{58,59} and, for the latest period, an increase in household incomes for the top 30% and a fall in income for the bottom 60%^{60,61}.

⁵⁶ Housebreaking is an aggravation of theft where a person enters a building or part of a building without permission and proceeds to steal property from within. For many people this means that someone has entered your house without permission and stolen property from inside your house. As defined by [Police Scotland](#).

⁵⁷ As shown in Figure 2 on page 8.

⁵⁸ [Update on poverty and income statistics for scotland 2021-22 | FAI \(fraserofallander.org\)](#)

⁵⁹ The Scottish Government uses three-year averages to look at trends in income and poverty in Scotland. A key issue to be aware of in using this data is that, due to the missing data for 2020-21, the only three-year period that includes the impact of the pandemic is 2019-2022, which includes data only for 2019-20 and 2021-22.

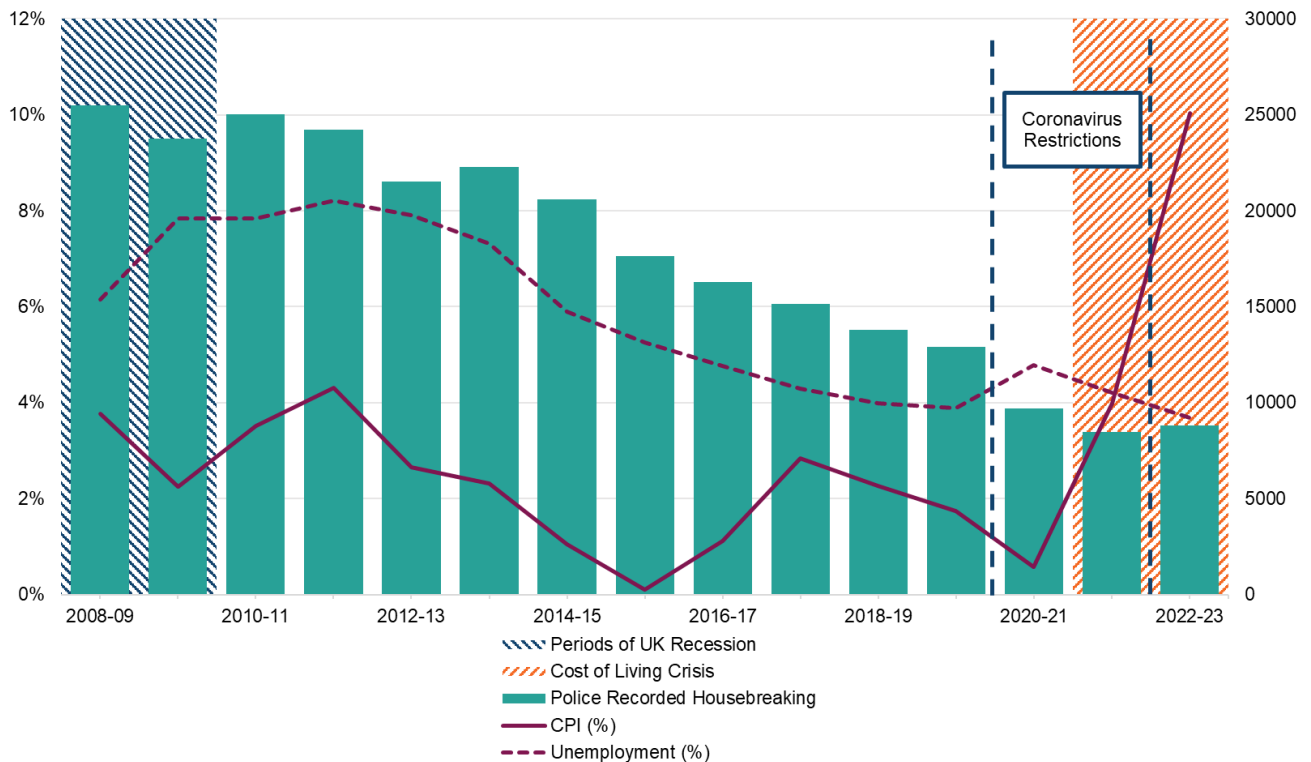
⁶⁰ [Update on poverty and income statistics for scotland 2021-22 | FAI \(fraserofallander.org\)](#)

⁶¹ It should be noted, however, that the Scottish Government's preferred measure of income inequality, the Palma ratio (which looks at total income of the top 10% and divides this by the total income of the bottom forty percent of the population) is falling. The Gini coefficient, another measure of income inequality, is also falling.

We might, therefore, expect to see an increase in acquisitive crimes, including housebreaking.

Figure 4 below outlines the most recent police recorded crime data on housebreaking, from 2008-09 to the present day:

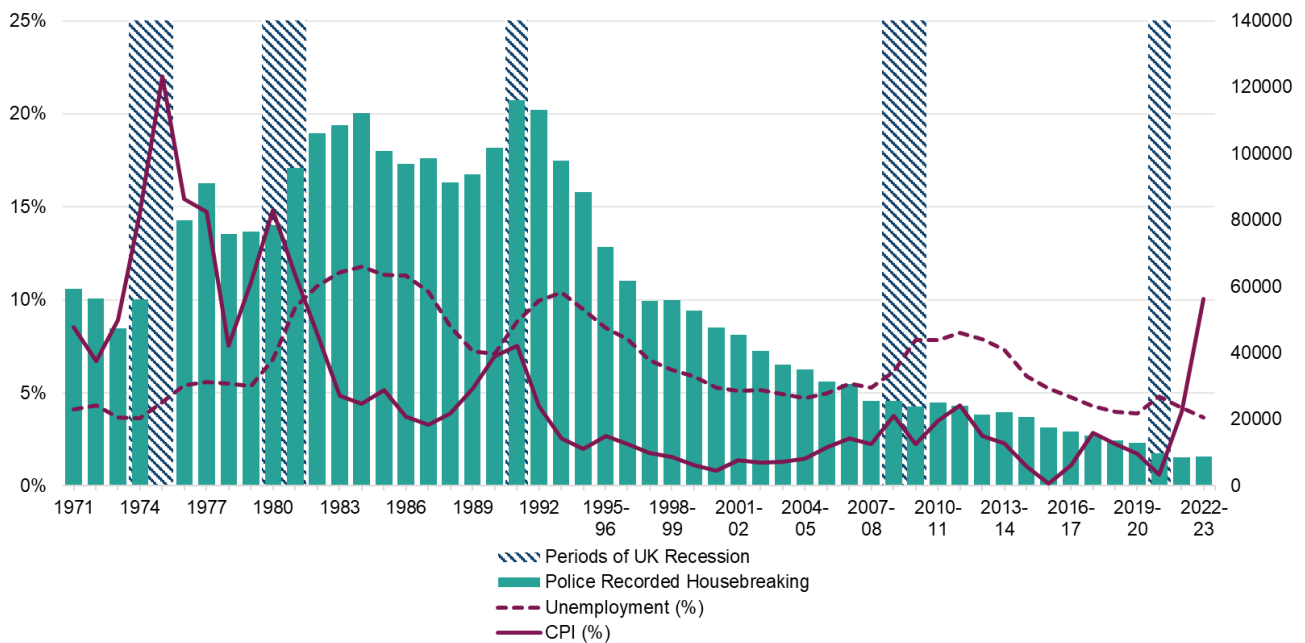
Figure 4: Police Recorded Housebreaking, Consumer Price Index and Unemployment, 2008-09 to 2022-23



The Figure shows that the level of housebreaking fell over the period of the pandemic, which may be attributed to pandemic restrictions, most notably ‘lockdown’, which meant individuals spent more time in their homes. Since the onset of the cost crisis, and the removal of ‘lockdown’ measures, we have *not* seen a return to pre-pandemic levels of housebreaking. This trend is quite different to what we may have expected on the basis of the existing evidence.

Extending the time period further, we can observe housebreaking trends from 1971 to the present day:

Figure 5: Police Recorded Housebreaking, Consumer Price Index and Unemployment, 1971 to 2022-23⁶²



This Figure allows us to see how housebreaking trends have responded during previous periods of economic downturn. Whilst there appears to be significant increases in this crime type during the recessions of the mid 1970s, early 1980s and also in the early 1990s we do not see this pattern following the 2008 recession. This is a further indication that we need to exercise caution when seeking to understand the impact of the current cost crisis through the means of research on previous periods of economic downturn.

It is clear that to understand housebreaking trends in Scotland over the course of the cost crisis we must expand our thinking to incorporate non-economic factors that may play a role. Levitt (2004) has undertaken research of this vein in relation to the sharp fall in crime in the US in the 1990s and identified four factors that explain the decline: “increases in the number of police, the rising prison population, the waning crack epidemic and the legalization [sic] of abortion”⁶³. Whilst such a project on the topic of housebreaking is outwith the scope of this paper, we might hypothesise that the housebreaking trend in Scotland *may* be impacted by such non-economic factors as: technological advancements, specifically the widespread use of personal surveillance devices in and around the home; decreased rewards from housebreaking, as a result of an increasingly cashless society and falling real-term value of stolen goods; increases in the number of individuals working from home following on from the pandemic; demographic changes in the Scottish population, specifically the reduction in the proportion of 18-24 year old males; the number of police and developments in or changes to policing strategy; and, the effectiveness of government policies with the aim of reducing crime.

It is important to clarify that none of these factors have been shown to impact upon housebreaking. However, with the crime trend not responding as we might expect based on the evidence it is worthwhile conjecturing if only to demonstrate that any exploration of the

⁶² Due to local government reorganisation, data for 1975 is not available and has been excluded from the time series.

⁶³ [Levitt, S. \(2004\). ‘Understanding Why Crime Fell in the 1990s: Four Factors that Explain the Decline and Six that Do Not’, *Journal of Economic Perspectives*, 18: 163-190.](#)

impact of the cost crisis on crime must be embedded within a wider and more holistic understanding of the factors that impact upon the crime rate.

Part One: Conclusion

The evidence is by no means conclusive in favour of a certain economic variable having a relationship with overall crime. This is an important finding in itself as it dispels the idea that worsening economic conditions will inevitably result in a rise in crime.

What we do know is that the evidence suggests that unemployment, low wages, poverty, and inequality, and perhaps to a lesser extent, consumption, have a relationship with rates of specific crimes. However, it is also clear from the evidence that rising or declining crime rates can be the result of a combination of a huge variety of both economic and non-economic factors, making it extremely difficult to pinpoint the exact relationship between individual variables and crime rates.

To further complicate matters, we know that past recessions – and the focus of existing research – have had a specific set of economic circumstances that differ from those seen in the current cost crisis. This makes any attempts to predict the impact of the cost crisis on crime in Scotland methodologically inadvisable.

Ultimately, whilst the existing literature helps us to understand how previous economic shifts have impacted upon crime in the past, we must rely on present day data to monitor crime trends during this current period of cost crisis in Scotland.

Part Two: Ongoing Monitoring

Part Two sets out the findings from our monitoring of the most recently published Police Recorded Crime data. This section is informed by the key findings from the literature review outlined in Part One and begins by looking at **overall recorded crime** and then focuses specifically on recorded crime data for crimes against property, including **acquisitive crime types**.

Our approach to monitoring this data source had two key stages: monitoring of overall recorded crime and monitoring of specific crime groups and crime types. The existing evidence on the relationship between economic downturns and overall crime rates is ambiguous and inconclusive. To determine whether this remained the case for the current cost crisis we mapped the most recent overall police recorded crime figures against the current cost crisis period, which is characterised by high levels of inflation, relatively low levels of unemployment and significant decreases in real term pay. Our second stage of monitoring was more granular; we focused on the top 50 crime types⁶⁴ and mapped these against the cost crisis period to identify and monitor specific crime types, including those flagged within the existing evidence review.

It is important to acknowledge that no single source of data or evidence will capture a complete picture of crime, nor is one source definitive on a given crime type. For example, police recorded crime data are detailed and of good quality, but omit unreported crime. By contrast, victimisation

⁶⁴ There are over 500 types of crimes and offences recorded by police in Scotland. To present these in a meaningful way, they are combined into distinct groups and categories. There are now six crime groups and three offence groups. These groups are made up of 50 categories, referred to as the 'Top 50'.

surveys capture some unreported crime, but only provide estimates on the limited topics and circumstances covered by the survey. A further important distinction between the two data sources is the types of crimes they cover, the SCJS captures crimes where there is a victim that can be interviewed including, for example, violence and housebreaking, not homicide or shoplifting. Whereas police recorded crime captures all crimes reported to the police, including those committed against businesses like shoplifting. Therefore if, for example, there was to be a rise in shoplifting this would be identified by police recorded crime (under the assumption these crimes were reported) but it would not be picked up by the SCJS. Despite the differences in these data sources, however, they have shown very similar trends when viewed over the longer term.

In the next occasional paper we will draw heavily on the most recent publication of the Scottish Crime and Justice Survey as well as the most recent quarterly police recorded crime data. Where possible we will also draw upon a wide range of additional sources including, but not limited to, homicide and NHS hospital admissions data in relation to violent crime. By monitoring a wide range of sources we mitigate the weaknesses associated with an overreliance on any single source of evidence or data.

Overall Recorded Crime

The review of the existing evidence established that there is no certain link between economic performance and overall crime and analysis of the latest Police Recorded Crime data supports this conclusion.

Although omitting crimes which are not reported to the police, recorded crime provides accurate and reasonably consistent records over decades⁶⁵. Overall recorded crime rose steadily from the 1970s to the early 1990s. Since then, crime has gradually fallen⁶⁶. The 2008 recession is the most recent period of economic downturn prior to the current cost crisis. Whilst it may be intuitive to assume that crime increased over the 2008 recession, according to police recorded crime⁶⁷ and the nationally representative victimisation surveys in the United Kingdom⁶⁸, overall crime fell throughout this period and continues to fall to the present day. The Scottish Crime and Justice Survey 2019/20⁶⁹, which includes crimes not reported to the police, reports that the volume of crime in Scotland has fallen by 46% since 2008/09.

⁶⁵ The UK victimisation surveys capture unreported crime, but only produce estimates and are limited to the topics covered in the survey. Furthermore, the Scottish Crime and Justice Survey has only operated since 2008 in its current iteration.

⁶⁶ An increase in recorded crime can be seen in 2004 when the Scottish Crime Recording Standard was introduced.

⁶⁷ [Recorded Crime in Scotland, 2021-2022](#)

⁶⁸ [Scottish Crime and Justice Survey](#), [Crime for Survey England and Wales](#), [Northern Ireland Community Safety Survey](#)

⁶⁹ At the time of writing this the 2019/20 report is the most recent Scottish Crime and Justice Survey publication.

Figure 6: Recorded Crime Groups 1-4, Consumer Price Index and Unemployment, 1971 to 2022-23

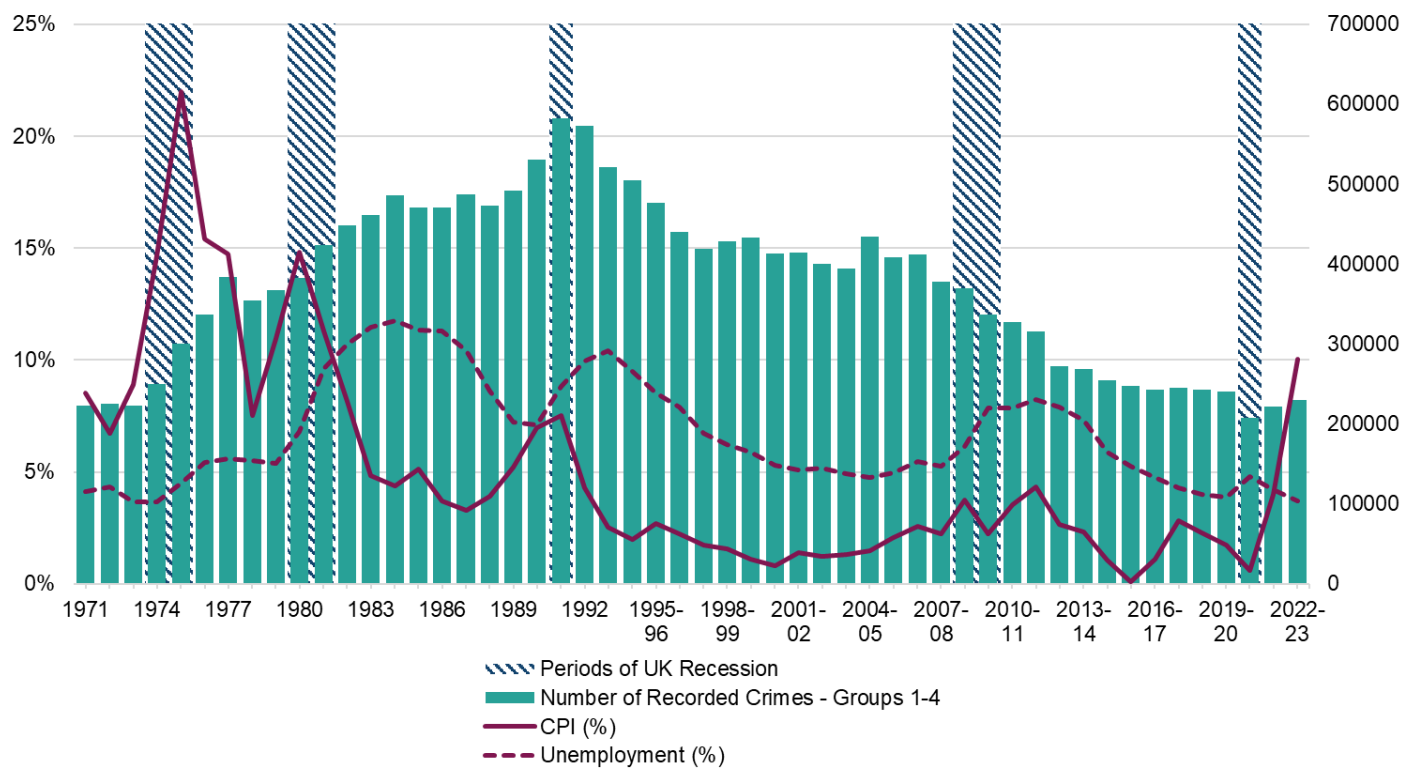
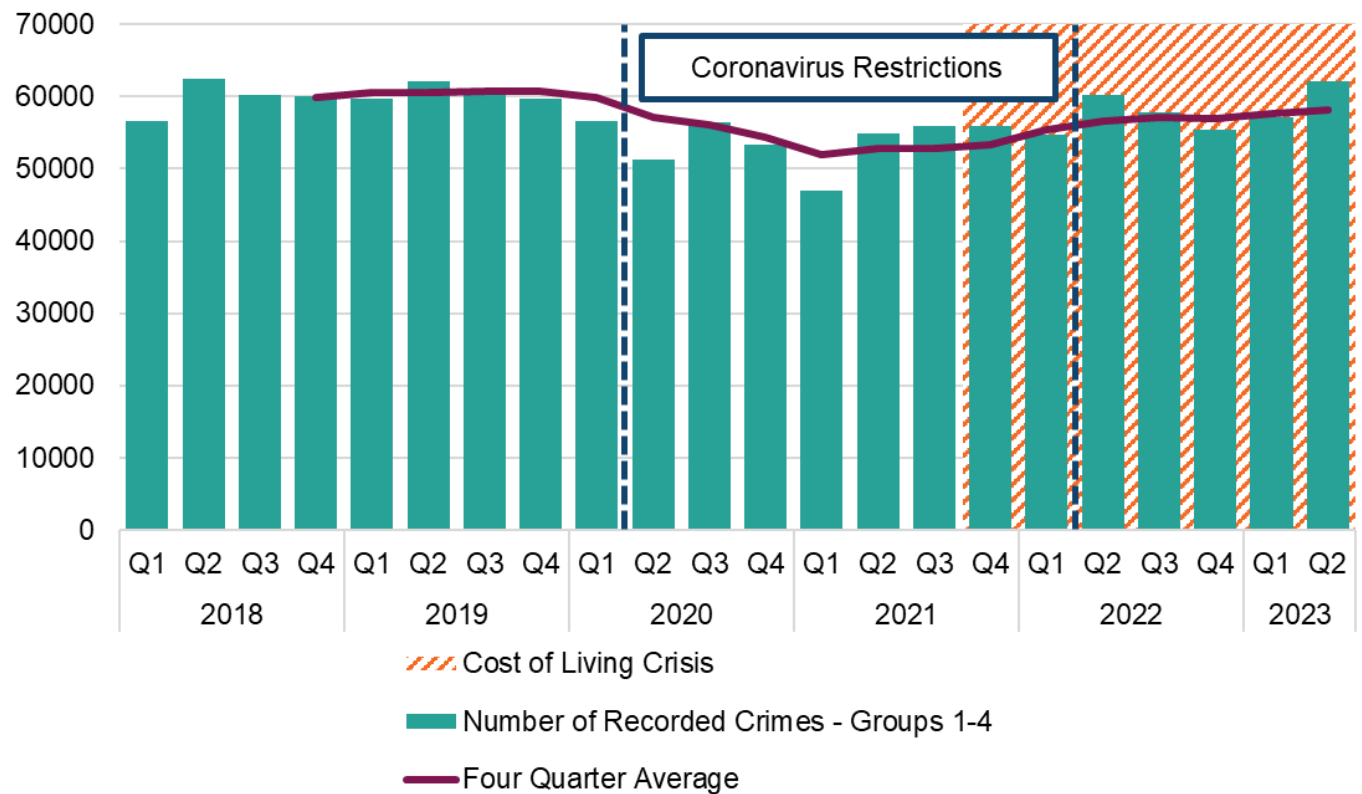


Figure 7 takes a closer look at overall recorded crime over the past five years:

Figure 7: Recorded Crime Groups 1-4, 2018 to Q2 2023



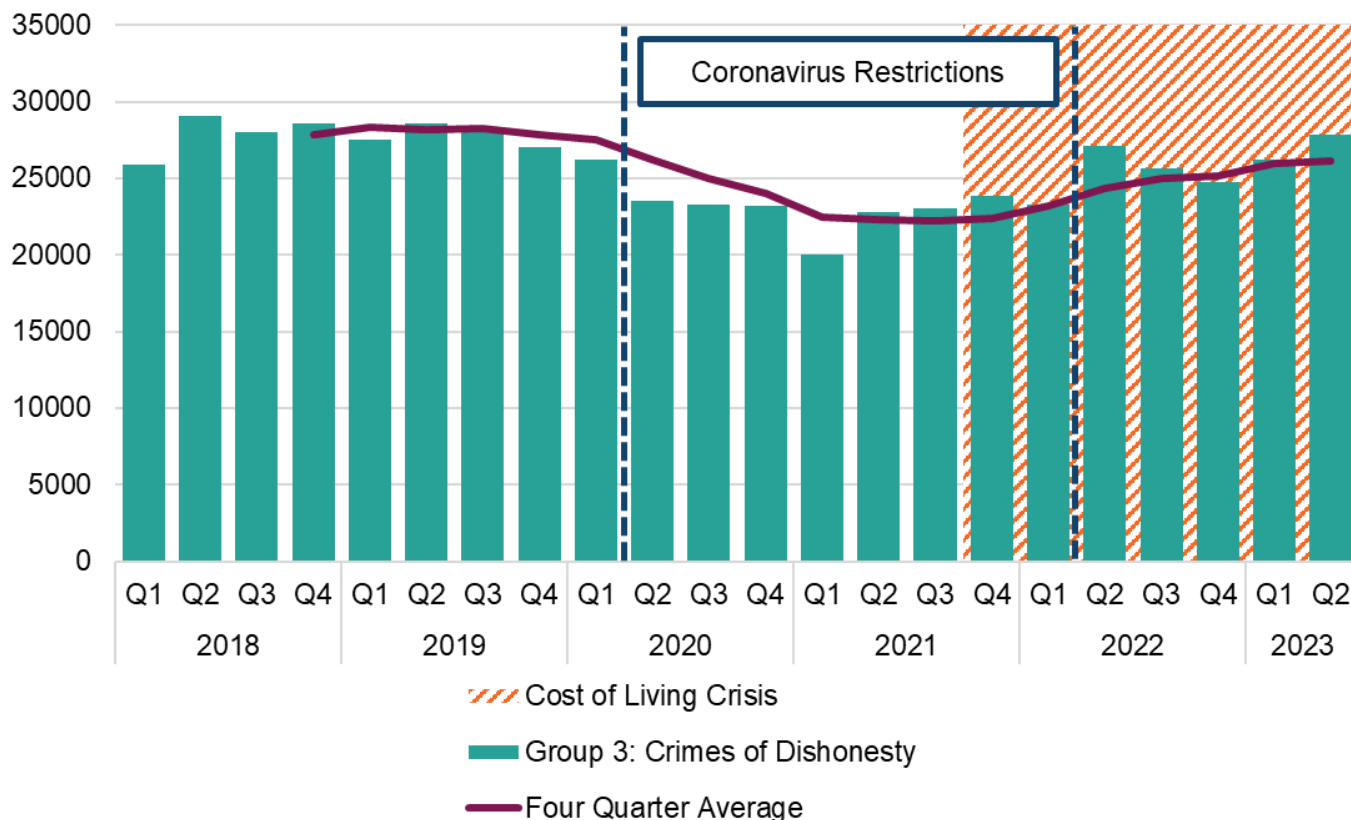
We can see that recorded crime fell over the course of the pandemic and can be seen to have risen following the pandemic and during the cost of living crisis. However, it has not yet risen to pre-pandemic levels as of the second quarter of 2023, with the latest four quarters' worth of crime data for Groups 1-4 sitting 4% below the equivalent position for year ending June 2019. As such, the relationship between total recorded crime and the cost of living crisis remains unclear and we are unable to determine whether the recent, slight rise in the recorded crime figures, as a whole, are as a result of the crisis or, simply as a result of the removal of coronavirus restrictions and a return to 'normal' life. This ambiguity is reflective of the finding, outlined in the [2010 Scottish Government paper](#), that the existing evidence is "by no means conclusive in favour of a particular theory or certain economic variable having a relationship with overall crime." Looking at the [Crime Survey for England and Wales](#), that reports on all crimes in England and Wales including those not reported to police, we find that for overall crime there has been a decrease of 15% in the year ending March 2023 when compared with the pre-coronavirus pandemic year ending March 2020. This finding suggests that England and Wales, like Scotland, has not seen a return to pre-pandemic levels of overall recorded crime.

However, it is perhaps reductive to discuss the relationship between economic performance and overall recorded crime as we know from the academic evidence review that certain crime types are more likely to be impacted by changes in economic conditions. The following sections explore individual crime types that, based on existing data and evidence, appear like they may have been impacted by the cost crisis.

Crimes of Dishonesty

Figure 8 depicts the trend for Group 3 crime types, 'Crime of Dishonesty' in Scotland over the past 5 years. This group is the largest crime group and accounts for just over a third (36%) of all crime recorded in Scotland in 2022-23. In descending order of volume, the group includes, amongst other crimes, theft, shoplifting, fraud, housebreaking and theft of a motor vehicle.

Figure 8: Group 3: Crime of Dishonesty, 2018 to Q2 2023

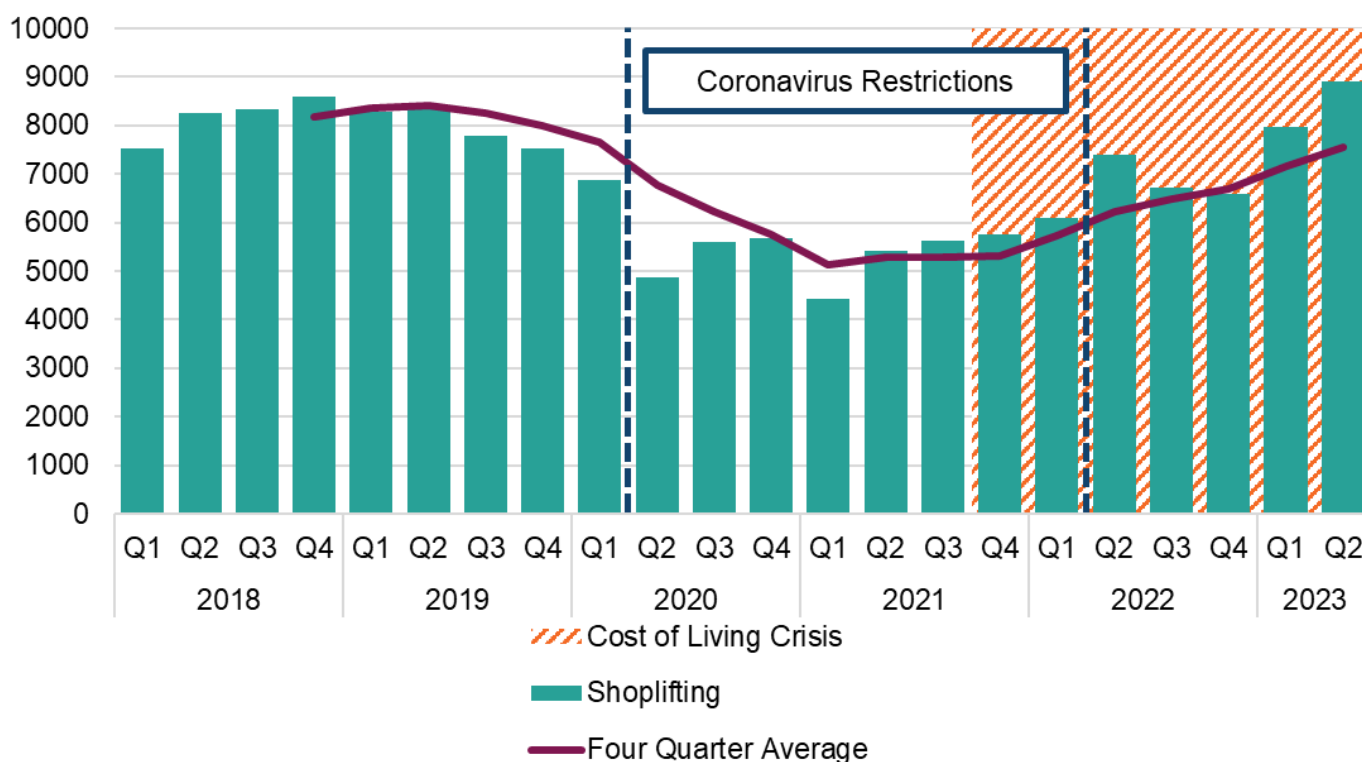


We see here that there has been a rise in these crime types since the beginning of the cost of living crisis and that the latest police recorded crime data, relating to Quarter 2 of 2023, appears to confirm this trend. However, it is important to note that numbers of this crime type have not yet returned to pre-pandemic levels and as such it is unclear whether we are witnessing the effect of the cost crisis or simply a return to pre-pandemic rates for this crime type. Continued monitoring over the coming quarters will determine whether the number of Crimes of Dishonesty settles at pre-pandemic levels or surpasses them.

Shoplifting & Theft of a Motor Vehicle

If we take a closer look at two specific crime types, shoplifting (Figure 9) and theft of a motor vehicle (Figure 10) then we see again this trend of crime increasing over the cost of living crisis:

Figure 9: Shoplifting, 2018 to Q2 2023



Shoplifting accounted for over a quarter (28%) of Crimes of Dishonesty. There was an increasing trend since 2014-15, which was interrupted by a decrease in 2019-20 and a further larger decrease in 2020-21. This was likely to be due to the Covid-19 pandemic related restrictions. However, there was a small increase in 2021-22 then a further increase of 25%, from 22,913 crimes in 2021-22 to 28,619 in 2022-23. This is only 15% lower than the high in 2018-19. Over the ten-year period from 2013-14 to 2022-23, this crime has seen an increase of 3%. Looking at the [latest quarterly data](#), shoplifting increased by 21% in the year ending June 2023, compared to the previous year, but decreased by 10% from the year ending June 2019.

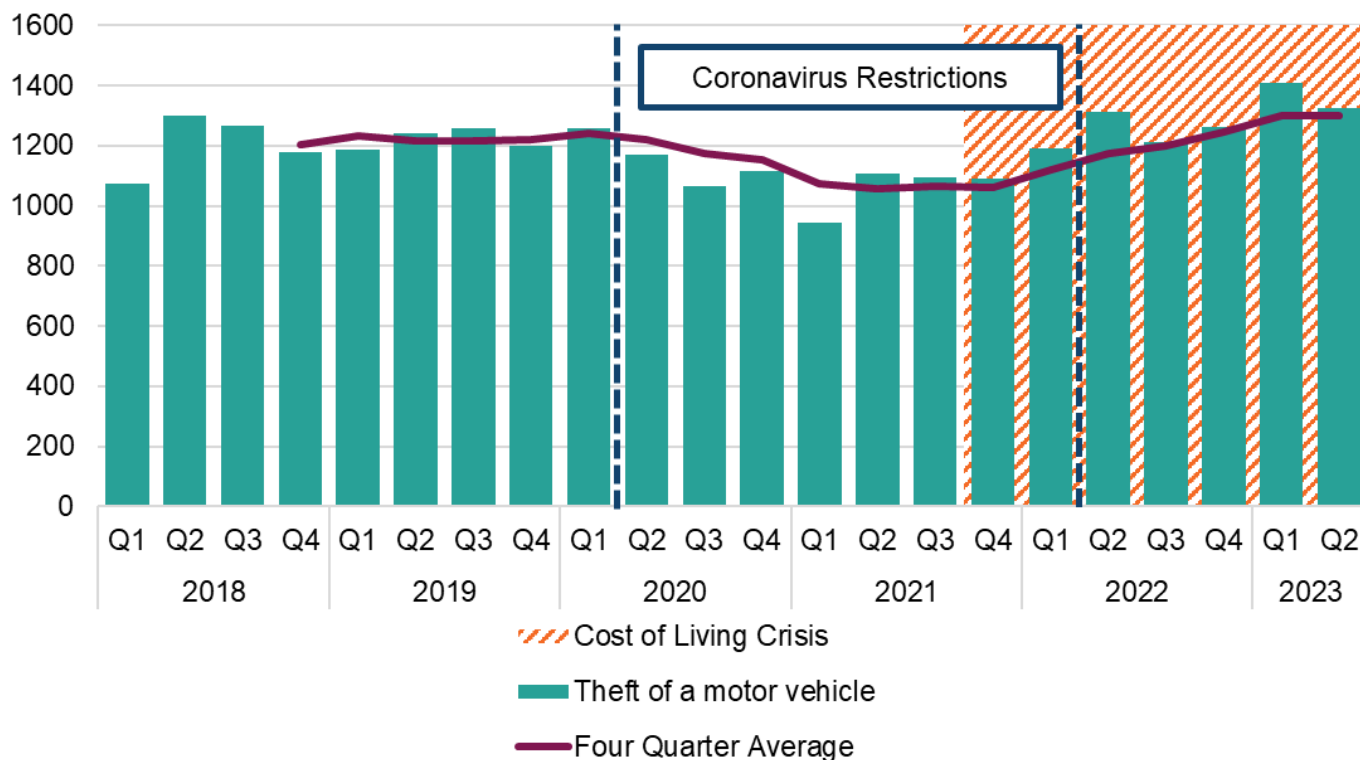
In addition to the Scottish Government data, the British Retail Consortium in its recently released annual Crime Survey states that there were 8 million incidents of theft over the year 2021-22, which was an increase on the previous year⁷⁰. Furthermore, police recorded theft offences in England and Wales were, overall, 11% lower in the year ending March 2023 than in year ending

⁷⁰ Methodological information about this survey is very limited and these numbers should be treated with caution.

March 2020 (pre-pandemic), however, they have actually *increased* by 15% in the last year. This rise has been seen across most subcategories including shoplifting which has increased by 24%. This finding from England and Wales is similar to what we have seen in Scotland (a 25% rise from 2021-2022 to 2022-2023).

Looking at theft of a motor vehicle data, we can see a similar trend of the numbers increasing over the cost of living crisis and the crime rate appears to have surpassed the levels seen in Quarters 2, 3 and 4 of 2019, pre-pandemic:

Figure 10: Theft of a motor vehicle, 2018 to Q2 2023.



Theft of a motor vehicle accounted for 5% of Crimes of Dishonesty. Over the ten year period from 2013-14 to 2022-23 this crime has seen a decrease of 13%. However, there was a 15% increase in the most recent year, from 4,512 crimes in 2021-22 to 5,182 in 2022-23. Looking at [the latest quarterly data](#), Theft of a motor vehicle increased by 11% in the year end June 2023 compared to the previous year, and increased by 7% from the year ending June 2019.

We cannot be sure whether the increase in this crime type can be linked to the cost of living crisis, as we know that there have been steady increases in the price of transport (including the purchase of motor vehicles) since September 2020⁷¹. According to the idea of the ‘positive opportunity effect’ (where there are a greater number of more ‘profitable’ targets for crime and therefore an increased expected payoff to engage in criminal activity) this increase in the price of cars *may* increase motivation to steal them. Theft of a motor vehicle is, therefore, a good candidate for ongoing monitoring in order to better understand the specific impact of the cost crisis.

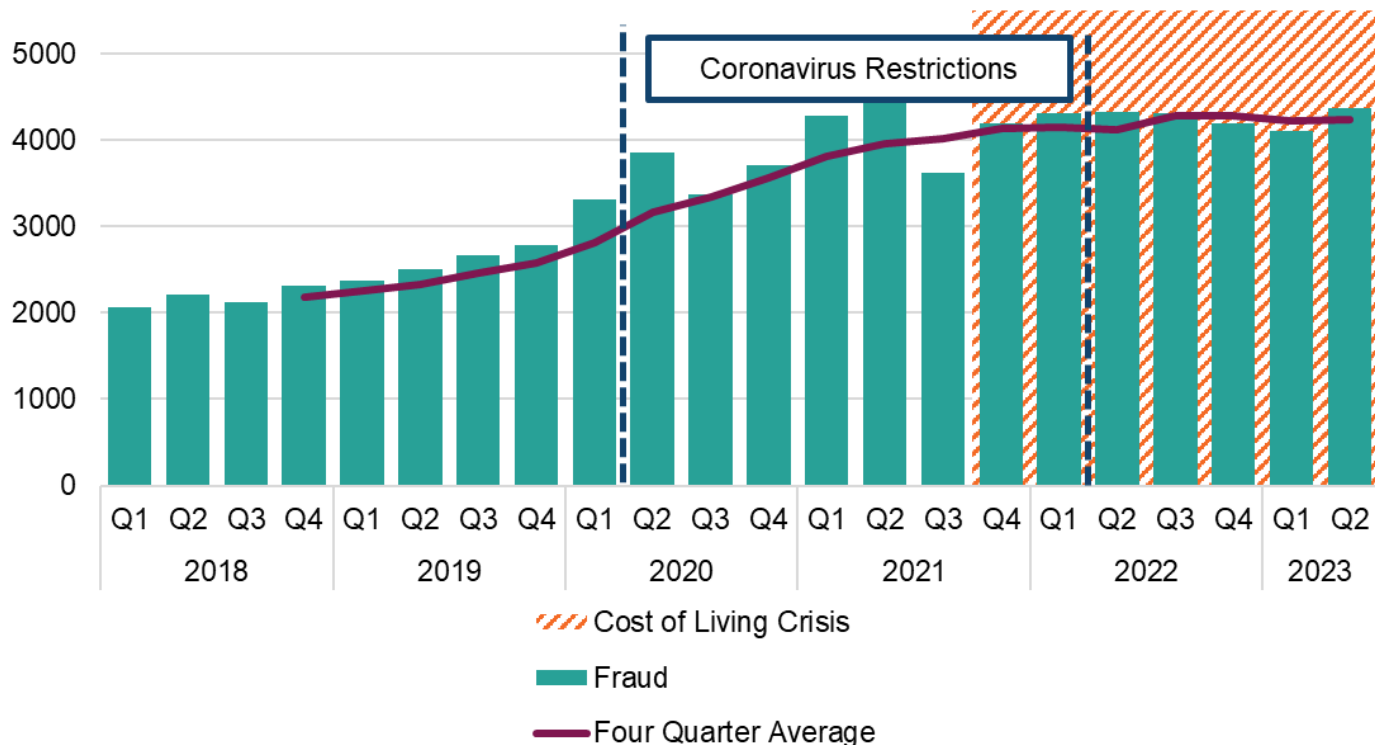
Fraud

As of 2022-23, Crimes of Fraud accounted for 16% of Crimes of Dishonesty. The cost of living crisis may bring many opportunities for fraud. For example, lower levels of disposable income may

⁷¹ [ONS. \(March 2022\). Recent drivers of UK consumer price inflation: March 2022.](#)

increase cyber crime through the purchase of cheap, fraudulent, or non-existent goods⁷². In other circumstances, rising rent and associated costs may lead to increases in benefit or income support fraud⁷³.

Figure 11: Fraud, 2018 to Q2 2023



According to the Scottish Government’s most recent annual Police Recorded Crime bulletin, fraud has increased year-on-year since 2014-15, and has more than doubled since 2013-14. There was a 2% increase in the most recent year, from 16,536 crimes in 2021-22 to 16,879 in 2022-23. Much of the recent increase in fraud has related to cyber-crimes which are estimated to account for half of all Frauds (51%) in 2022-23 and saw a significant rise during 2020-21. The [latest quarterly data](#) finds that Fraud increased by 3% in the year ending June 2023 compared to the previous year.

Monitoring fraud is challenging as personal fraud is often not reported to the police⁷⁴, and commercial losses are not typically publicised with any regularity. Therefore arguably the most regular and reliable results are achieved by national victimisation surveys. For example, Crime Survey for England and Wales (CSEW) report that fraud significantly increased during the coronavirus pandemic, driven by a notable increase in advanced fee fraud⁷⁵ and consumer and retail fraud⁷⁶ - a [25% increase for the year ending March 2022 compared with the year ending March 2020](#). An estimated 61% of these fraud incidents were cyber related⁷⁷, compared with 53%

⁷² [Cyber crime: a review of the evidence summary](#) - (GOV.UK)

⁷³ [Fraud and Error in the Benefit System 2019 to 2020 - GOV.UK \(www.gov.uk\)](#)

⁷⁴ [Scottish Crime and Justice Survey 2019/20: Cyber Crime](#)

⁷⁵ Advance fee frauds occur when a payment is made to fraudsters, who claim to be in a position of authority, to transfer money or for a promise of employment, wealth or gifts (including lottery scams and inheritance fraud).

⁷⁶ Consumer and retail frauds occur when goods or services were paid for but failed to materialise, were misrepresented at point of sale, or were faulty or stolen. This includes bogus callers, ticketing fraud, phone scams and computer software service fraud.

⁷⁷ ‘Cyber related’ represents cases where the internet or any type of online activity was related to any aspect of the offence.

in the year ending March 2020⁷⁸. However, [in the most recent publication](#) (year ending March 2023), estimates showed that fraud returned to pre-coronavirus pandemic levels. Furthermore, that within fraud offences, bank and credit account fraud significantly decreased (14%) compared with the year ending March 2020 data. The ONS report that this suggests any increases were specific to the coronavirus pandemic and a consequence of behavioural changes [such as large increases in online spending over the periods of national lockdown](#), rather than evidencing a sustained change in fraud trends.

In part because of this recent uptick in fraud as a result of the pandemic, it will be complex to fully understand the relationship between cost crisis, non-cyber and cyber-related fraud. Monitoring levels of fraud will be a priority going forward; to do so we will continue to use Police Recorded Crime data and, from late 2024, we will supplement this with data from the newly introduced fraud module in the Scottish Crime and Justice Survey which will pick up instances of fraud not reported to the police.

Part Two: Conclusion

This section has summarised the results of our monitoring of overall recorded crime as well as specific acquisitive crimes using the latest Police Recorded Crime data. Numbers of both overall recorded crime and 'Crimes of Dishonesty' have fallen over the course of the pandemic and can be seen to have risen following the pandemic and during the cost of living crisis. However, neither have returned to pre-pandemic levels and as such it is unclear whether we are witnessing the effect of the cost crisis or simply a return to pre-pandemic rates. Notably, two specific acquisitive crimes, shoplifting and theft of a motor vehicle, have seen large and significant increases in the last year with rates now higher than they were immediately pre-pandemic. These increases align with findings from the literature review in Part One, that relative falls in wages (as experienced during the cost crisis) leads to increases in certain types of crime, including property and vehicle crime. However, the relationship between macroeconomic performance and crime rates is complex and nuanced and we are not able to identify a single cause of any increase in crime to the exclusion of other economic and non-economic factors. Continued monitoring of these crime types is required to better understand if, or to what degree, the cost crisis may be underpinning these changes.

Look Ahead

Justice Analytical Services plans to publish a second occasional paper in 2024. This paper will draw primarily on upcoming Scottish Crime and Justice Survey data, which includes crimes not reported to the police. It will also utilise the most recent quarterly police recorded crime figures. The focus of the paper will be on violent crime and domestic abuse, trends of these crimes will be monitored to determine if the cost crisis may have had an impact on them. The paper will also revisit the crime types monitored within this paper, namely acquisitive crime.

⁷⁸ Time series data should be treated with caution due to the change in survey methodology over the pandemic



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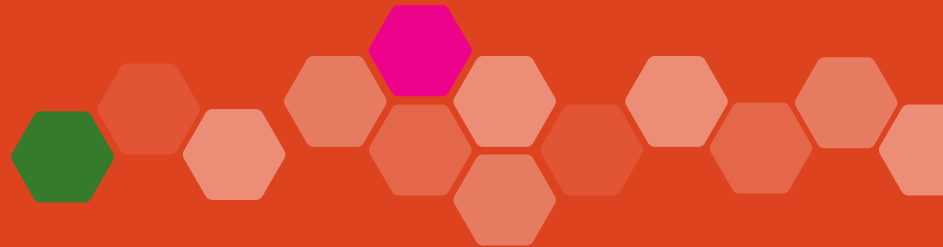
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