

The Role of Social Factors in Explaining Crime

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Abstract

Utilizing Malaysia data from 1973 to 2008, the study reveals that crime can be influenced by population, fertility, unemployment, and GDP in either the long-run or short-run period. This study also further analysed beyond sample estimations of the variables involved and found that although violent crime can be explained in the short-run only from the VECM analysis, it is found to be explained by other explanatory variables in the long-run of beyond sample for at least 50 years ahead. It is important for policy makers to focus in both social structure and economic conditions to help prevent crime in the long-run.

Keywords: fertility; violent; property, unemployment, VECM; causality

1. INTRODUCTION

In 2004, Levitt published an interesting article in which he argued that crime activities heftily decline in the United States in 1990s was not caused by any factors postulated to explaining the decline all this while. His analysis found that the strong economy of the 1990s, changing demographics, better policing strategies, gun control laws, concealed weapons laws and increased use of the death penalty never contributed to the decrease in crime at that time but little. Contrariwise, [Levitt \(2004\)](#) found ample evidence that shows increasing prison populations, rise in the size of police force, crack epidemic decline, and the legalization of abortion were the real cause in the substantial decrease of crime rates at that time. The idea behind the relationship between legalized abortion and crime was built upon two hypotheses namely, unwanted children are at a greater risk for crime and legalized abortion leads to a reduction in the number of unwanted births. This hypothesis is parallel to that of conventional criminology theories which suggest that problematic children with stressful childhood are likely to become criminals in their adulthood (evidence can be found from studies by [Farrington, 1996](#) for explanations on how problem families produce problem children). Interestingly, while predicting growth in crime rates in the eighties, Levitt (2004) found that the motivation factors differ from the demotivation factors in nineties.

All this while, economists' intervention in criminology studies were bounded to the facts that crime is an act that will sow the wind and reap the whirlwind of economics in a country. It is a well-known fact that crime will influence the transmission of economic growth through hindrance of foreign direct investment, constraints for investment in human capital, decline in competitiveness, reducing productive capacity, and increase in expenditure of unprofitable sector (crime fighting) to name a few. The role of fertility and demographic transition are also hypothesized to influence transition in economic growth from the unified

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