Analysis on China’s Business Cycle and Crime Rates

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Abstract

Since the reform and opening up in 1978, China has achieved remarkable economic growth of 9% per annum, which has been attained by any other country in the world economic history. As a result, Chinese people’s living standards have been rapidly improved. But the results of economic growth do not necessarily have positive results. Hidden behind the economic growth, there also exist some negative results. One of them is the increase of crime rate. The crime rate in China was relatively stable before the reform and opening, but the crime rate started to increase rapidly after the reform and opening.

Crime is a representative social phenomenon that reflects the health of society including society’s values, social psychology and so on. It is not only a threat to individual safety and community, but also a factor of social instability. Therefore, this study analyzed the factors affecting the crime rate by focusing on the population, society, and economic factors in order to grasp the rapidly changing social phenomenon in China.

As for the research method, we can construct a function that reflected recent research results and considered Asymmetric Structure and conduct an analysis. The most of preceding research is on the premise of symmetry to be analyzed. While this study applied the process of Mocan and Bali(2004) and Bali(2000). By using functions considering asymmetric structure, we can distinguish between recession period and economic recovery period and analyze the factors affecting crime.

Key Words: Crime Rates, Economic Growth, Business Cycle, Chinese Economy
JEL Classification: K14, O53, R11
1. Introduction

The Chinese economy, after the 1978 renovation opening, has accomplished an amazing economic growth of 9 percent yearly average, which has never been achieved in the history of world economy. As a result, the living standard of the Chinese citizens showed a quick rise. The results of economic growth, however, do not always bring positive effects. A great number of negative results have shown on the other side of economic growth. One of these negative effects is the rise of the crime rate. While China’s crime rate was comparatively steady before the renovation opening, the crime rate started to grow rapidly after the renovation opening.

Crime threaten personal life and brings social uneasiness and mistrust overall threatening personal security and social order. Fear related to these threats generates lots of unnecessary expenses to protect individuals and families. Crime starts from violence, murder and spreads on to economic and politics and eventually effects the whole society.

Crime not only occurs depending on factors such as the value of the society, culture and religion, the law, and the system, but also on various complex factors such as social-economic and personal traits. Therefore, past studies on crime focus on analysis related to the causes of crime occurrence. The causes include economic factors (unemployment, profits, property tax etc.), demographic factors (race, age, sex, total population, immigration status etc.), urban environment factors (entertainment establishments, relative weight of accommodations, wholesale and retail etc.), social-economic factors (academic background, status on cohabitation with parents and family formation, religion, and welfare expenditure etc.) and so on.

As you can see from the preceding researches, most of the results show that crime rates show high correlation with economic variables that can measure business fluctuations such as economic growth rates and unemployment rates. However, the positive analysis results do not correspond. Normally, crime rates and economic variables have a negative relationship, which means that in economic recession, subsistence crimes that tend to multiply in economic difficulty, such as decrease in income and growth in unemployment, do increase. On the other hand, however, there is a positive relationship, which means that in economic boom, boom type crimes, which are crimes mostly related to service industry such as pleasure and entertainment, tend to occur. Also, most of the researches in the past analyzed the correlation between economic fluctuation and crime rates with symmetry implicitly assumed. However, in recent years, the assumption of symmetry has started to ease and there are attempts to try out analysis that considers the asymmetric structure by reflecting the conditions of economic fluctuation, in other words, the recovery period and the recession period, into the model itself.
Recently, Chinese economists also analyzed the factors that affect crime rates. Many results of empirical analysis show that factors such as economic inequality, unemployment rate, national education level, population movement, urbanization level, and growth rate give notable effect on crime occurrence. Especially these days, population movement due to urbanization has shown to be the major factor of crime.

The flaws in the preceding researches include, first of all, the lack of researches that analyzes the asymmetric structure between economic fluctuations and crime rates by reflecting the conditions of the economic fluctuation cycle, namely the recovery period and the recession period. Second is the fact that researchers are inclined to initiate relatively short term researches. Therefore, in this study, based on the precedent research results, we plan to analyze the factors that affect the crime rate of China, considering the asymmetry between the economic fluctuation and the crime rate, focusing on the economic macroscopic aspect, with expending the research period from the reform opening to the recent.

The formation of this research is as follows. In chapter 2 I will analyze the precedent researches about China’s economic development and crime rate and depict the differentiation and originality of this research. In chapter 3, I will explain the trends of crime status in China from the reform opening to the present time and describe the variables used in this study. In chapter 4, I will explain the analyzed results and the method used in this study. In chapter 5, I will summarize the results of the analysis and finally bring out the limits of this study and suggest future research directions.

2. Literature Review

In precedent researches, as an approach to crime factors, the researchers firstly conducted analysis focused on the relationship between social economic structure and crime, for they were mostly studies centered on economic factors. Secondly, they related crime to Marxist Theory of Crime, which regards crime as a product of Liberalism, and analyzed how the form of political structure, its changing and stabilizing period, political power, and corruption effect crime occurrence. Thirdly, they focused on the relationship between crime and biological factors and explained crime and social change by using urbanization or demographic change. Fourth, they clarified the relations between social solidarity and crime, which was claimed by Durkheim.

In researches that studied the correlation between economic variables and crime rates, the object of the analysis were usually the rates of unemployment. Cook and Zarkin (1985) analyzed, by each type, the relationship between crimes and unemployment, which were the variables to economic change. Cantor and Land (1985) analyzed the correlation between crime and unemployment by using American data that dated from 1946 to 1990. Yoon and Joo (1995) clarified that crime rates increase as unemployment rates mount up, by using

While most of the past studies analyzed the correlation between economic change and crime rate with implicitly assumed symmetry, in recent years, the assumed symmetry has started to ease and analysis considering asymmetry by reflecting economic change, namely the period of recovery and stagnation, within the model is being tried out.

Along with these researches, these days, numerous studies about the effect of urbanization to crime rate are in progress. In the process of shifting from the traditional society to modern society, the urban concentration of the population broke out and the urbanization was reported to increase crime occurrence. Crime issues of these kinds are problems that must be solved for they not only are the threat for the safety of the individual and the community, but they are also most likely to become the factors of social anxiety such as the increase of fear for crime.

Recently, a number of Chinese economists have analyzed the factors that affect the crime rates. As a result of many empirical analysis, factors such as economic inequality, unemployment rate, the education level of citizens, population movement, the level of urbanization, and the growth rate etc. have shown to have impact on crime occurrence.

The studies within the Chinese can sum up to as followings. First, there are studies about the effects of China’s economic factors (rate of unemployment, economic development) in crime rate. Second, there are studies about how economic gap and income inequality effect the crime rate. Third, there are studies about the impact of China’s urbanization on the rate of unemployment.

The flaw in the precedent researches above are first, the fact that they are conducted with symmetry on the premise. However, in recent researches, analyzing the asymmetric structure between economic change and crime rate by reflecting the conditions of economic change, or the period of recovery and stagnation, within the analytical model is on the rise. Therefore, there is a need to conduct analysis with asymmetry considered. Second, the research periods are relatively short-termed. According to recent studies, the change in the crime rates of China were relatively steady before the reform opening, however, the rates started to increase quickly after the reform opening. Therefore, there is a need to analyze not only certain period of time but all period, from the reform opening to present time.

The differences between this study and the studies in the past are first, the fact that this study attempted to analyze considering the asymmetric structure by reflecting the economic change, in other words the period of recovery and stagnation, within the model. Second is the fact that this study expanded the research period and analyzed the whole period from the
reform opening to the present time, which is the period when crime started to increase quickly.

3. The Trend and Analysis of China’s Crime Rates

3.1 The Trends of China’s Crime Rates

<Figure 1> shows the crime rates and the economic growth rates of China since the reform opening to present time while <Figure 2> shows the crime rates and the unemployment rates of China. China’s crime rates are showing a consistent increase after the reform opening. The crime rates have shown to dramatically increase especially in the late 1990s, and then slow down a little in the early 2000, then again, rising up after 2008.

Figure 1: The Economic Growth Rates and Crime Rates of China

![Figure 1: The Economic Growth Rates and Crime Rates of China](image1)

Figure 2: The Unemployment Rates and Crime Rates of China

![Figure 2: The Unemployment Rates and Crime Rates of China](image2)

The economic growth rates and the crime rates seem to differ slightly, however, the unemployment rates and crime rates show a steady increase since 1985. Therefore, like any other country, the crime rates in China seem to rise as the unemployment rates do.
Figure 3: The Number of Occurrence of Five Major Violent Crimes of China

![Graph showing the number of occurrences of five major violent crimes in China from 1995 to 2014.](image)

Figure 4: Occurrences of Economic Related Crimes in China

![Graph showing occurrences of economic related crimes in China from 1995 to 2014.](image)

Figure 3 is showing the trends of the occurrences of five major violent crimes (murder, injury, robbery, rape and theft) in China. The crime occurrences show different trends based on the type of the crime. Out of the five violent crimes, the occurrences of murder and rape have declined. More specifically, murder, which had 27,356 cases in 1995, declined to 10,083 cases which is approximately 60 percent. Rape, which showed 41,823 cases in 1995, declined to 33,417 which is about 20 percent. The rates of robbery is very volatile. There were 164,478 cases in 1995 but after that, the amount kept on increasing to a peak of 341,908 cases in 2004.
The amount started to fall rapidly after that, and in 2014, with 111,187 cases, it became the third most common in the five major crimes. Next, injury and theft showed a continuous rise since 1995 to 2014. Theft is the most common crime in China. In 1995, it took the biggest share in the five major crimes with 1,132,789 cases and have continuously increased to 4,435,984 cases in 2014, which is more than 4 times bigger, leaving theft to account for the largest portion in violent crimes. Injury, in 1995, showed 72,259 cases, which was not even half the amount of robbery occurrence. However, it showed continuous increase to 140,709 in 2014, which is 3 million more than robbery, becoming the second most common of violent crimes.

<Figure 4> is showing the trends of occurrences of China’s economic related crimes. Most of the economic crimes appear in property defraud (fraud). Fraud occurrences continuously increased from 64,047 in 1995 and in 2014 the amount explosively increased to about 11 times more with as many as 785,306 cases. Next, the crime occurrences of currency forgery also explosively increased more than 3 times the amount from 5,237 cases in 1995 to 15,863 in 2000, which is five years later. However, the amount started to decrease suddenly and showed only 899 cases in 2014. Smuggling occurred 1,119 times in 1995 and the cases showed a steady rise to 2 times the amount with 2,083 cases in 2014.

3.2 Variable Selection

The dependent variable of this study is the crime rate. Originally, in studies related to crime, researchers use crime rates resulted from number of crimes per 100,000 population in their analysis. This study has also analyzed based on the same derived information. China’s crime related statistics are drawn up from the Public Security Agency, the Prosecutor’s Office and the Justice Agency. Because of the nature of crime statistics, it is impossible to make the exact statistics. Therefore, we focused on figuring out the dynamic changing process of crime. In this study, we obtained crime rates from statistic data of national criminal cases made by the public security agencies, crime statistics from the Chinese legislation almanac, and the population from the National Bureau of Statistics of China.

\[
\text{crime rates} = \frac{\text{number of crimes per 100,000 population}}{\text{total population}} 
\]

The explanatory variable of this study consists of variables related to economic change and variables related to economic situation. First, for variables related to economic cycle, we will use what’s commonly used; the economic growth rates and the unemployment rates. There are different results of how variables related to economic cycle effect the crime rate. Normally, this is because when the relationship between crime rate and economic variables is negative (-), which means when the economy is in a recession, economic difficulties such as
income reduction and increase in unemployment develop subsistence crimes, while on the other hand, in positive (+) relationship, as to say when the economy is in a boom, boom type crimes - crimes that are related to service industry such as pleasure and entertainment appear. Therefore, in this study we will analyze by composing the economic cycle related variables into asymmetric functions. The data of economic development rates and the unemployment rates come from the National Bureau of Statistics of China.

Next, as variables of economic situation we used the Gini’s coefficient that indicates the urbanization rates and the rich-poor gap, which shows well the social fluctuation of China. Urbanization in China is rapidly in process since the reform opening in 1978. Related precedent studies show that urbanization and crime occurrence have a very close relationship. Concentration of population, which is the result of urbanization, make it difficult to mutually harmonize, for it develops disparate population and diversification of profits and end up diminishing local bond and psychological security. Also, anonymity in urban society weakens moral regulation and aggravate deviation. Furthermore, places such as red light district and amusement facilities will encourage crime even more. Therefore, in this study we selected China’s urbanization as the explanatory variable that effects the crime rate. The data for China’s whole population and city population comes from National Bureau of Statistics of China.

Lastly, the explanatory variable we used in this study is the economic inequality. Most studies point out that economic inequality can statically affect the increase of crime occurrence, but the element of economic inequality is understood as a kind of crime motive or material of crime opportunity. Therefore, this study included the Gini’s coefficient within the analysis as a substitute for economic inequality. We estimated the Gini’s coefficient by quoting the model suggested by Brown (1994) and used the National Bureau of Statistics of China and the China’s Economic and Social Development Statistics Database to get the income and population data.

\[
G = \left| 1 - \sum_{i=1}^{n} (X_i - X_{i-1})(Y_i - Y_{i-1}) \right| \tag{2}
\]

\(X_i\) is the cumulative population ratio, and \(Y_i\) is the cumulative income of district \(K\), and \(n\) is the number of the target area.

4. The Method and Results

4.1 Method

The basic model for analyzing the factors that affect the crime rate are as followings.
Here, Crime represents the crime rate; the number of crimes per 100,000 population, EG is the economic growth rate, URB is the urbanization rate, GN is the Gini’s coefficient, $\alpha$ is the constant term, $\varepsilon$ is the error term, and $t$ is the time.

First, we will perform an empirical analysis by using formula (3) and the data from 1978 to 2014, with separating them into two terms (1978 – 1994 and 1995 - 2014) or conducting within the whole term.

Next, to figure out the whether or not criminal activity has changed depending on the economic fluctuation, we analyzed the factors that affect crime by applying the methods of Mocan and Bali (2004) and Bali (2000) and used the formula that considered the asymmetric structure, with distinguishing the recession and recovery.

The composition of the asymmetric function is as followings. The variables that represent the economic fluctuation are the economic growth rate and the unemployment rate. First, the asymmetric function that used economic growth rate is as followings. If $EG^+$ is for economic recovery and $EG^-$ is for economic recession, when the economic growth rate increased in $t$ compared to $t-1$, the $EG^+$ will take the value of 0 and $EG^-$ will take the value of the according growth rate. Oppositely, if the economic growth rate reduced in $t$ compared to $t-1$, $EG^+$ will take the value of the according growth rate and $EG^-$ will take the value of 0. In this case, both the recession ($EG^-$) and recovery ($EG^+$) will have negative (-) signs and the amount of assumed coefficient value will represent the elasticity of crime occurring in recession and recovery. This can be expressed as the formula below.

$$\begin{align*}
EG^+_t &= \begin{cases} 
EG_t, & \text{if } EG_t \leq EG_{t-1} \\
0, & \text{if } EG_t > EG_{t-1}
\end{cases} \\
EG^-_t &= \begin{cases} 
EG_t, & \text{if } EG_t > EG_{t-1} \\
0, & \text{if } EG_t \leq EG_{t-1}
\end{cases}
\end{align*}$$

The same asymmetric function using unemployment can be expressed as formula (5) and in this case, both recession ($UE^-$) and recovery ($UE^+$) will show positive (+) signs and the estimated coefficient value will represent the crime elasticity in recession and recovery.

$$\begin{align*}
UE^+_t &= \begin{cases} 
UE_t, & \text{if } UE_t \geq UE_{t-1} \\
0, & \text{if } UE_t < UE_{t-1}
\end{cases} \\
UE^-_t &= \begin{cases} 
UE_t, & \text{if } UE_t < UE_{t-1} \\
0, & \text{if } UE_t \geq UE_{t-1}
\end{cases}
\end{align*}$$
The models to figuring out how crime occurs asymmetrically in different economic cycles by using the asymmetric functions of formula (4) and formula (5) are as followings.

\[ Crime_t = \alpha + \beta_1 EG_t^- + \beta_2 EG_t^+ + \beta_3 URB_t + \beta_4 GN_t + \epsilon \quad (6) \]

The different variables of formula (6) are same as formula (4). \( EG_t^- \) stands for recovery and \( EG_t^+ \) stands for recession.

Next, models to figure out how crime occurs asymmetrically in economic fluctuation, by using unemployment rates are as followings.

\[ Crime_t = \alpha + \beta_1 UE_t^- + \beta_2 UE_t^+ + \beta_3 URB_t + \beta_4 GN_t + \epsilon \quad (7) \]

The variables in formula (7) are the same with those of formula (3). \( UE_t^- \) stands for recovery, \( UE_t^+ \) stands for recession.

### 4.2 Result

The analyzed results for using formula (3) is in Table 1. First, if you look at the regression analysis in the whole term from 1978 to 2014 and the term from 1978 to 1994, and finally from 1995 to 2014, you can see that the F-test statistic, which represents the whole significance of the estimated regression equation, and the R-squared (\( R^2 \)), which is the overall goodness of fit of the estimated regression equation, appear to be very high, and therefore, you can see that the explanation of the estimated regression coefficient is truly excellent.

<table>
<thead>
<tr>
<th>Table 1: Crime Rates Regression Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978-2014</td>
</tr>
<tr>
<td>Coefficients</td>
</tr>
<tr>
<td>Growth</td>
</tr>
<tr>
<td>urbanization</td>
</tr>
<tr>
<td>unemployment</td>
</tr>
<tr>
<td>Gini</td>
</tr>
<tr>
<td>1978-1994</td>
</tr>
<tr>
<td>Coefficients</td>
</tr>
<tr>
<td>Growth</td>
</tr>
<tr>
<td>urbanization</td>
</tr>
<tr>
<td>unemployment</td>
</tr>
</tbody>
</table>
If you look at the regression coefficients estimated by formula (3), you can see that there are differences according to the periods. In the whole period, from 1978 to 2014, the urbanization and unemployment rate show a statistically significant positive (+) result. This means that concentration of population caused by urbanization diminishes local bond and psychological security, and therefore, that same results as in the previous researches, which show us that entertainment and recreational facilities in cities increase crime, are also found in China. Even more, in the relationship between unemployment and crime, unemployment aggravates economic difficulties of home and brings out family disagreements and conflicts, which in severe cases lead to dismantling of the family, and lower the quality of life which can eventually connect to crime. So it supports the positive (+) relationship of unemployment and crime.

If you look at the standardized regression coefficient, you can see that urbanization appears larger than unemployment. This means that urbanization, out of all the explanatory variables, most affects the crime rate.

However, the Gini’s coefficient, which is the diagram of economic growth rate and economic inequality, does not show significant results. As a result, in the whole term as we saw earlier (the crime trend of China in chapter 3), there is no correlation between the economic growth rate and the crime rate. The relationship between the rates of unemployment and crime is relatively highly correlated as the rates of unemployment in China rise as those of crime, just like they do in other countries.

Next, if you look at the results with separated periods, in the period from 1978 to 1994, the growth rate, the urbanization and the unemployment rate all showed significant results, while in the period from 1995 to 2014, only urbanization shows significant results. If you compare it to the whole period, in period from 1978 to 1994, the economic growth rate additionally show a significant negative (-) result. This is because while the economic growth rate has been rising consistently after the reform opening, the crime rate has also been rising steadily. Plus, in the early days of reform opening, the economy develops while the effects of economic development do not spread out nationwide and for that reason, we can interpret that subsistence crime increased due to economic difficulties.

<table>
<thead>
<tr>
<th></th>
<th>1995-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coefficients</td>
<td>Standardized Coefficients</td>
</tr>
<tr>
<td>Growth</td>
<td>-1.391</td>
</tr>
<tr>
<td>urbanization</td>
<td>138.35***</td>
</tr>
<tr>
<td>unemployment</td>
<td>53.195</td>
</tr>
<tr>
<td>Gini</td>
<td>911.42</td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.942</td>
</tr>
<tr>
<td>F-Statistic</td>
<td>56.815***</td>
</tr>
</tbody>
</table>

Note: *** Significant at the 1% Level
Meanwhile, in results of period from 1995 to 2014, unemployment rate does not show much significant result and only urbanization show significant positive (+) result. This result shows us that the correlation between unemployment and crime rate appears to be positive (+), but the degree seems to weaken in recent days.

Finally, we analyzed how crime occurrences develop asymmetrically according to economic fluctuations. First, the estimated result of formula (6), by setting the economic growth rate as the variable and using the asymmetric function of formula (4), is shown on <Table 2>. The result shows that economic growth rate does not show significant result in both recovery and recession. This indicate that both recovery and recession do not have any relation to crime occurrence. These results are same as those of the whole period.

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Standardized Coefficients</th>
<th>$R^2$</th>
<th>F-Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>recovery</td>
<td>-1.980</td>
<td>-0.154</td>
<td>0.954</td>
</tr>
<tr>
<td>recession</td>
<td>-2.713</td>
<td>-0.136</td>
<td></td>
</tr>
<tr>
<td>urbanization</td>
<td>92.93***</td>
<td>0.935</td>
<td></td>
</tr>
<tr>
<td>Gini</td>
<td>-63.52</td>
<td>-0.17</td>
<td></td>
</tr>
</tbody>
</table>

Note: *** Significant at the 1% Level

The followings in <Table 3> are the estimated results of formula (7) which were conducted by setting unemployment rate as variable and using the asymmetric function of formula (5). The analyzed results showed to be significantly positive (+) by 1% of significant level in both recovery and recession, contrast to the economic growth rate. This means that unemployment increases crime occurrence in both recovery and recession. Also, if you compare the estimated coefficient value of crime elasticity, it is 29.082 in recovery and 23.534 in recession. So therefore, we can interpret that recovery has a bigger effect on crime rate compared to recession. Furthermore, we can see that standardized coefficient also has bigger absolute value in recovery than in recession, which shows us that recovery has a bigger effect on crime rate.

Overall, as a result of analyzing how crime occurrence asymmetrically take place according to the economic change, we can see that first, the economic growth does not have much effect on crime occurrence, second, unemployment rate has effect on crime occurrence, and third, the effect is heavier in recovery than in recession.
Table 3: The Result of how Unemployment Rate Change Affect Crime Rate

<table>
<thead>
<tr>
<th></th>
<th>Coefficients</th>
<th>Standardized Coefficients</th>
<th>$R^2$</th>
<th>F-Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>recovery</td>
<td>29.082***</td>
<td>0.344</td>
<td>0.932</td>
<td>105.863***</td>
</tr>
<tr>
<td>recession</td>
<td>23.534***</td>
<td>0.303</td>
<td></td>
<td></td>
</tr>
<tr>
<td>urbanization</td>
<td>89.64***</td>
<td>0.902</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gini</td>
<td>-14.45</td>
<td>-0.004</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: *** Significant at the 1% Level

5. Conclusions and Recommendations

China has quickly developed their economy since the 1978 reform opening and is now a part of G2. On this, the standard of living of the Chinese citizens have improved however, there are negative results in the economic market. One of those is the rise of the crime rate. The fluctuation of crime rate before the reform opening was relatively stable, but after the reform opening, they started to rise quickly. The crime rate in China was 55.65 in 1978, but it soon mounted up to 478.11 in 2014.

Crime threatens personal life and property and evoke anxiety and disbelief in the overall society. At this, many Chinese researchers analyzed the factors that affect the crime rate. In this study, we reviewed and studied the precedent researches and clarified the problems of the past researches. After that, in order to solve those problems, we analyzed the factors that affect the crime rate, on the base of the precedent researches, by considering the asymmetry of the economic fluctuation and the crime rate with centering on the macro aspect, and expanding the research period from the reform opening to present time. The main analysis results are as followings.

First, in the whole period from 1978 to 2014, the urbanization and the unemployment rate show statistically positive (+) results. Second, while the economic growth rate, the urbanization and the unemployment rate show significant results in the period from 1978 to 1994, only urbanization shows meaningful results in the period from 1995 to 2014. Third, while unemployment rate does not show much significant result in the period from 1995 to 2014, only urbanization showed significantly positive (+) result. Fourthly, as a result of analyzing how crime occurs asymmetrically according to the economic fluctuation, economic growth rate showed no meaningful result in both recovery and recession. However, the unemployment rate showed significant level of 1% positive (+) results in both recovery and recession and according to the elasticity and standardized coefficient, unemployment rate has shown to have heavier effect on crime rate in recovery than in recession.

I believe this study is quite meaningful in the fact that it analyzed the factors of crime by centering on macroeconomic factors and especially that it considered the economic fluctuation. However, the limit of this study is that it could not clearly analyze the relationship...
between unemployment and crime occurrence. Therefore, in future studies, there is a need to conduct analysis that simultaneously considers factors that trigger crime and factors that vary crime opportunity, in relation to unemployment and crime rate. It is also necessary to analyze the relationship between unemployment and crime according to the type of the crime.

References


