

The Dynamic Between Economic Factors and Violent Crime Rates: A Comparative Analysis of Global Trends and Legislations

Trisha Dhar

Indus International School Pune, Maharashtra, India.

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ABSTRACT

This paper explores the relationship between macroeconomic factors and crime rates, focusing on case studies. It examines the question: to what extent do macroeconomic factors influence global violent crime rates, and how do legislative interventions affect this dynamic? The methodology employs quantitative analysis of various economic indicators alongside qualitative case studies of the United States of America, Japan, Malaysia, and Romania. Findings suggest a significant impact of economic factors on crime rates. The dynamic between unemployment and inflation is crucial to decoding general trends; however, other factors such as region, inequality, and poverty also affect crime rates. While economic variables play a role, other social, cultural, and legislative factors also contribute to crime dynamics. The cohesion between economic stability and legislative interventions emerges as a crucial determinant in shaping societal safety and well-being.

Keywords: Economic factor, Legislation, Macroeconomics, Violent crime

1. Introduction

The violent tendencies of humans may be thought to be a phenomenon that cannot be quantifiably measured. However certain indicators can be explored to unravel the nuanced intersections between economics and law.

By specifically looking into macroeconomic concepts, the patterns within economies are brought to attention as they are explored on a larger scale. The research question aims to Understand the intricacy of these subjects can be vital in creating a safer society, boosting societal well-being, and creating stability within economies during periods of rapid advancements or recessions

The literature review explores the intricate dynamics between economic factors and global crime rates. It delves into the significance of poverty, unemployment, population density, and

inequality, highlighting the challenges of data collection and the positive correlation between macroeconomic constructs and crime rates. Additionally, it discusses additional factors such as legislation, government interventions, and regional conditions in shaping specific criminal activities. Methodologically, the research employs a blend of quantitative and qualitative approaches, focusing on factors impacting crime rates and analysing data from various sources.

As there are generational gaps between developed and developing economies, they will both be approached differently. However, there are many debates and controversies in determining the economic development of a country.

As economic development is multi-natured, measuring it can prove to be difficult. They can be measured through indicators. Single indicators consist of nominal (GDP per capita and GNI per capita in terms of PPP) and more abstract ones (health, education or economic/social inequality). To match the multi-dimensional nature of economic development, composite indicators were introduced by Mahbub Ul Haq and Amartya Sen. These indicators combined several indicators. The one that is referenced in this paper to determine the development of an economy is the Human Development Index (HDI), it quantified indicators such as long healthy life (life expectancy), access to knowledge (average years of schooling), standard of living (GNI per capita). Hence countries with an HDI of greater than 0.800 shall be considered developed economies.

The differences between developed and developing countries, such as the United States, Japan, Malaysia, and Romania, are explored within country-specific case studies. Shedding light on the diverse economic origins influencing specific criminal activities.

Finally, an amalgamation of correlations is derived by analysing the correlations between economic factors and crime rates, challenging hypotheses (section 1.4.) and offering insights into effective legislative measures.

2. Literature Review- Dynamic Between Economic Factors and Global Crime Rates

2.1. Economic Factors Contributing To Raging Crime

A prominent thorn in humanity's back that has carried on throughout the ages is crime. Fostered through a disregard for social comfort and well-being. However, this was not always the scenario as in the nineteenth century a steady-fast rise in crime was introduced through the *industrialization* era [1] This era is known for *catalyzing* the 'economic boom' [2]; the commencement of *urbanization* led to the modern world we currently live in. It has been shown that economic crisis craters our perspective of ethics, societal norms, and values— evident especially in Romania's economy [3].

Overlaps in literature have shown that countries hold the following significance when determining crime rates: poverty, unemployment, population density, and inequality. Whereas developing countries also are reliant on inflation, development, and education. While there are many problems introduced when calculating unemployment rates due to informal economies and frictional unemployment, collecting accurate data for crime rates raises more challenges. While *utilizing* official statistics is a useful tool for high levels of assurance and normative documentation, limitations arise from the insufficiency of data—due to time periods as most papers are set in the last decade—and lack of accuracy, as some crimes are not detected, and hence cannot be reported or detected due to corruption—[4]

It has been shown that there is a positive correlation between several macroeconomic constructs and different kinds of crime rates. The most predominant of these are unemployment and inflation; however, when one is eradicated the other is prevalent. The contrasting nature of these factors brings insights into the policies and legislations which governments implement in order to regulate the state of the economy.

2.2. Economic Origins Influencing Specific Criminal Activities

The definition of intentional homicide used in the Global Study on Homicide is the same as that developed by the United Nations Office on Drugs and Crime (UNODC) in the International

Classification of Crime for Statistical Purposes (ICCS), defines intentional homicide as “unlawful death inflicted upon a person with the intent to cause death or serious injury”. This definition contains three elements characterizing the killing of a person as intentional homicide:

- The killing of a person by another person (objective element).
- The intent of the perpetrator to kill or seriously injure the victim (subjective element).
- The unlawfulness of the killing, which means that the law considers the perpetrator liable for the unlawful death (legal element).[5]

The Eurostat created six different categories in order to differentiate the types of crime and broadly categorise them. The EU would view these offences as economic or violent. The economic crimes incentivised by monetary gain include robbery, domestic burglary, motor vehicle theft and drug trafficking. These differentiated themselves from crimes motivated by human tendencies, violent crimes which included homicide. While it may seem that there would be a lack of correlation between macroeconomic concepts and the latter, it has proven to be existent theoretically.

A reduction in violent crime rates can lead to significant savings for municipal budgets, which has a positive effect on real estate values. These rise in prices can allow the government to gain more property tax revenue, enabling further expenditure and investment back into the development of the economy [6].

2.3. External Factors

Further, confounding variables that factor in when drawing a correlation between economic factors and crime rates include the conditions of law and order in the country, government interventions, and ‘good governance’ [7], legislation, and policies to prevent certain economic factors from arising.

The intricate permutations of variables such as psychological, biological, sociological, and regional (urban/rural) aspects combine with economic variables to create the present-day situation. The economic aspect is further explored due to the abundance of data and literature on this factor, by distinguishing between the developed economies of the USA and Canada and the developing economies of Romania and Malaysia.

2.4. The Potential Differences Between Developed and Developing Countries

While externally the country may seem to be prospering due to an increase in real GDP, in the short-term an inflationary gap in the economy can create high violent crime rates. As unemployment rates decrease below the natural rate of unemployment, the labour force is being exploited.

This logic leads to the general hypothesis:

1. Higher inflation will lead to higher rates of homicide.
2. Higher unemployment rates will lead to higher rates of homicide in developing countries than in developed countries.
3. Thus, developed economies *should have* less violent crime due to their more stable economy.

3. Methodology and Data

3.1. Methodology

In academic papers, gaps in correlations often stem from either purely quantitative or qualitative approaches. To comprehensively address my research question, I've adopted a blend of both methods. Previous research identifies key development priorities, including improving data on

consumption, wealth stocks, and economic insecurity. This involves refining evaluation methods and integrating data on leisure time, life expectancy, and regrettable expenditures, as well as enhancing data quality on human and social capital stocks.

My approach combines quantitative and qualitative methodologies. Initially, I'll review existing literature to identify factors impacting the global crime rate. Overlapping hypotheses in pre-existing literature highlight strong links between crime and poverty, unemployment, population density, inequality, and urban/rural regions. I'll then use data from the World Bank and UNODC[8] to construct refined datasets for correlation analysis. Focusing on inflation and unemployment, I'll analyze a set of 20 countries—both developed and developing—using visual aids to identify correlations and differences.

Further research will delve into approximately four specific countries—two developed and two developing—allowing for a compare-and-contrast analysis of effective legislation and policies. Developed and developing countries have distinct economic goals, necessitating categorization accordingly. By examining two developing countries with similar conditions but opposing crime rates, I aim to determine effective legislative measures. Due to limited English literature, I'll supplement it with an analysis of old bills and relevant news articles.

While a specific period won't be specially discussed as the range of research shouldn't be limited from an early stage; some periods that may be a recurring trend are the early 2000s, the 2020s, and 2008-2009 due to notable recessionary periods and financial crisis eras.

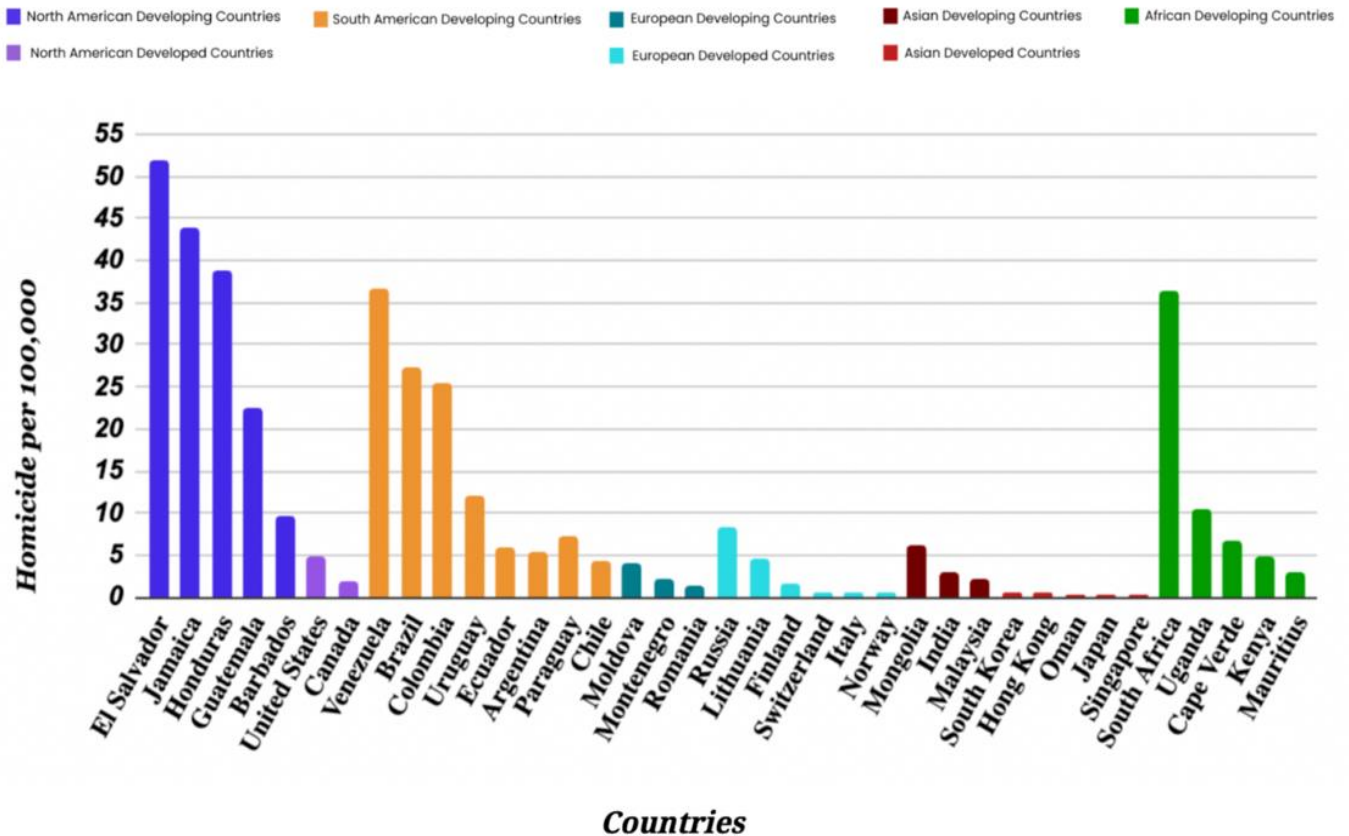
3.2. Empirical Evidence

A developed economy is desired by many countries around the world; it is what the macroeconomic aims of governments revolve around. It is comparable to the modern-day paradise. These economies also dominate the top spots in the World Happiness Index. With Kuwait, a high-income economy, being the exception, 95% of the top 20 countries ranked in this index are developed economies. Hence, it is expected that developing economies would have lower crime rates due to their relatively higher positions on the World Happiness Index. However, in a global analysis of homicide, the UNODC shows that the lowest crime rates can be seen in Europe. The report also states that countries with high firearm rates have higher intentional homicide rates[9], so the United States is an anomaly making it the 7th highest in the world. Additionally, US territories, the US Virgin Islands and Puerto Rico, respectively hold the first and fourth positions in terms of firearm homicide rates.

While the initial hypothesis predicted the two main economic determinants of homicide rates, Figure 1 showcases how external factors such as region also play a role. From the collected sample of countries, the homicide rate shifts from continent to continent. Despite being a

developed economy, the United States had higher rates than all European economies, with the exception of Russia, which is undergoing a transitional phase, irrespective of its economic status.

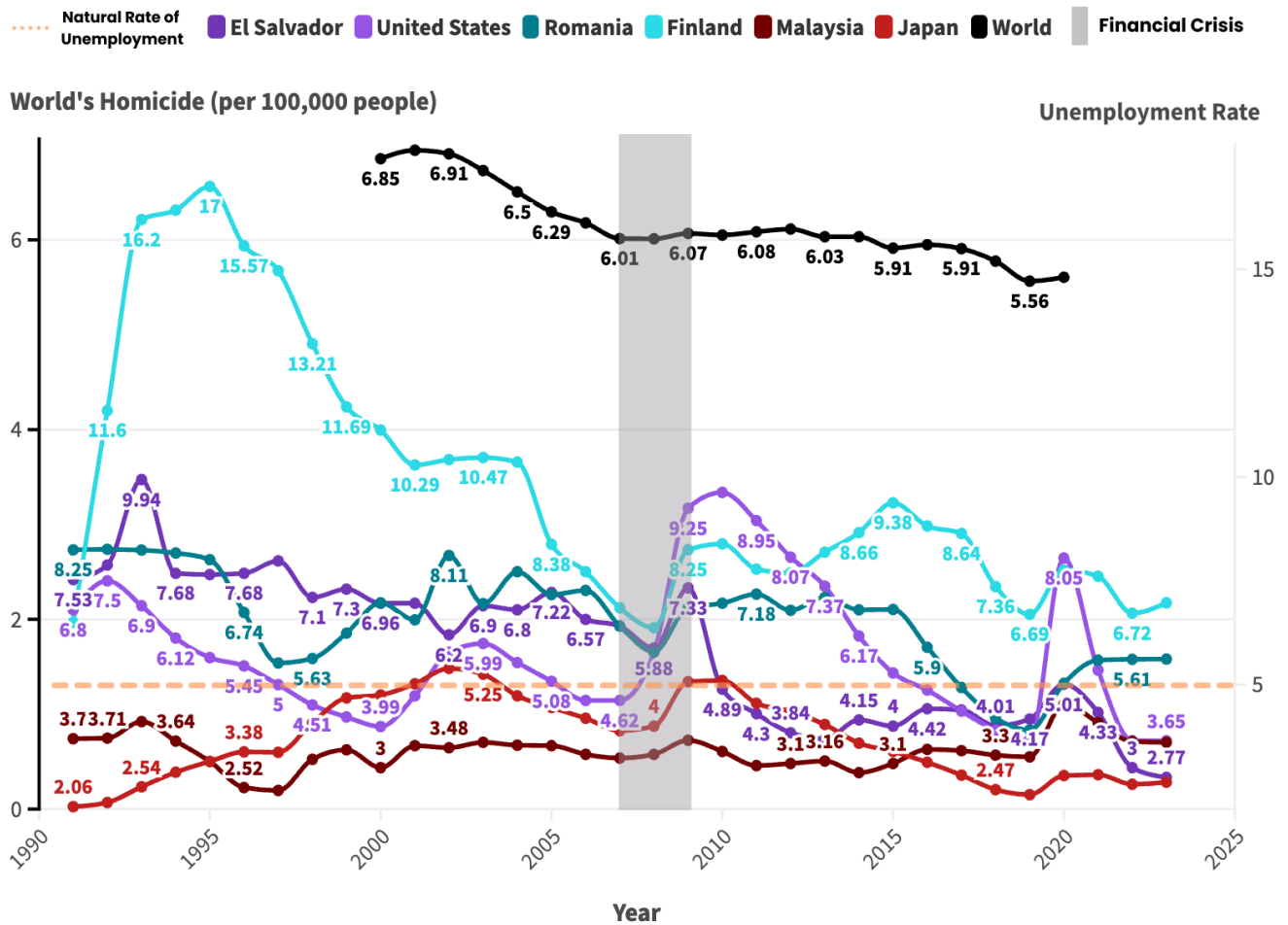
Figure 1: Comparison of Homicide Rates per 100,000 in 20 Developed and Developing Countries



Global studies have shown that 40% of aggregate homicides are committed via firearms. This is also the leading weapon in the Americas, dominating 67% of reported homicides. However, Europe diverges from this trend, as sharp objects are the lethal mechanism of choice, responsible for 30% of the continent’s homicides. Additionally, 30% of violent crime is conducted via unknown methods, which may highlight Europe's lacklustre depth in solving crimes and may lead to inaccuracies due to no documentation or no witnesses. In Asia, 37% of homicides are conducted via other means. This may indicate how legislation in Asia is highly strict and oriented around punishment rather than prevention, hence the use of other methods. The majority of the countries in Asia also have low homicide rates, while the developed economies there have little to none, further discussed in section 4.1.2.

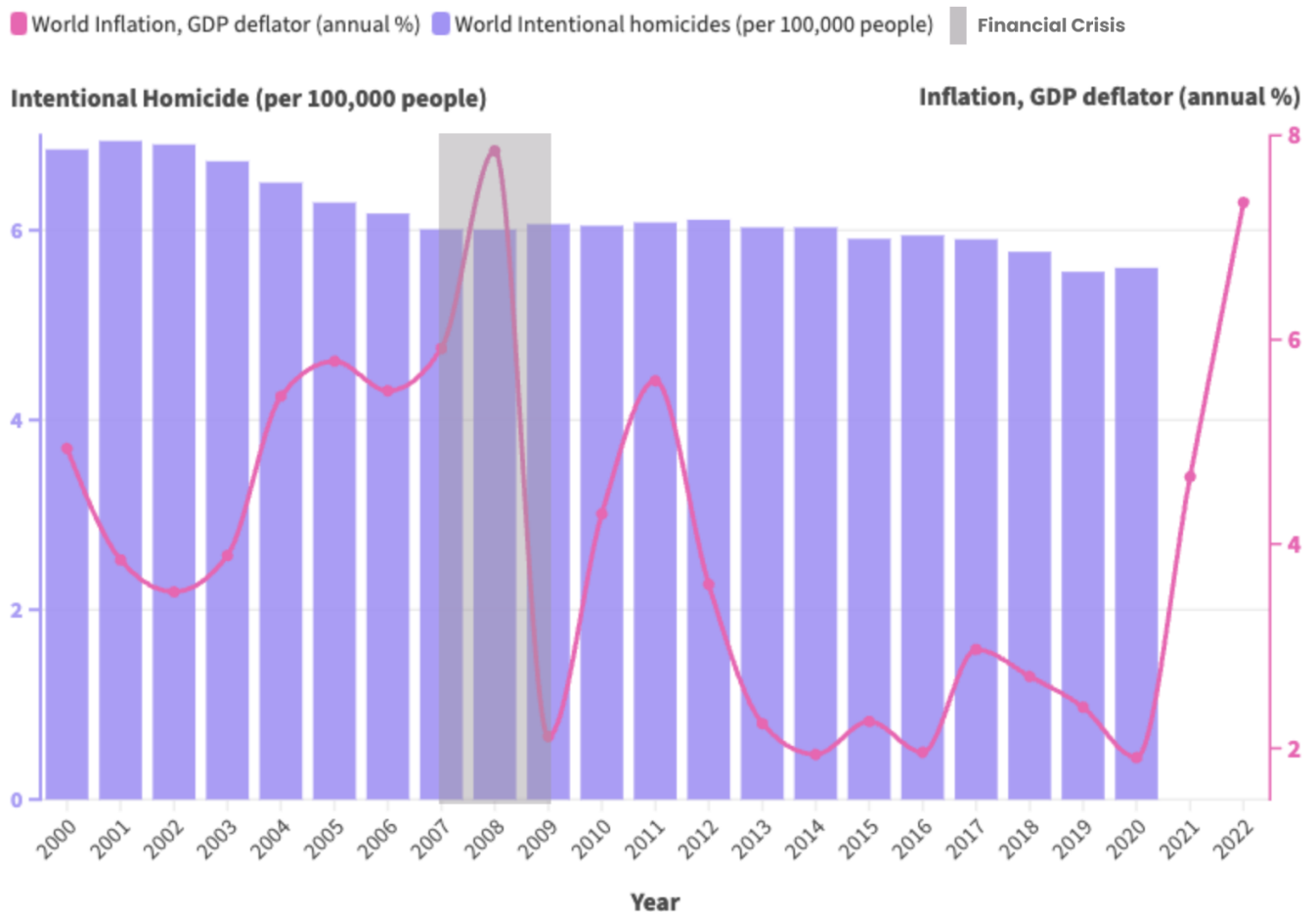
Figure 2: Global Intentional Homicide per 100,000 People Compared to the Unemployment Rate

Countries: El Salvador, United States, Romania, Finland, Malaysia, Japan



Ever since 2022, there has been a negative trend from the all-time high level of the prior year. However, for the past 15 years, the annual number of homicide victims has been 400,000-450,000, and there has been little improvement towards resolving target 16.1 of the Sustainable Development Goal to “significantly reduce all forms of violence and death rates everywhere.” An underlying factor that can resolve this is mental health. This specifically affects homicide committed in interpersonal relationships. Worldwide, 31% of homicides are interpersonal, involving close family/partner, establishing it as the leading cause, followed by 22% from organized crime. In the Americas, it is 50%. In Europe, it is 69%, making it the leading cause of a landslide, as the second cause—other interpersonal—only contributes 20%.

Figure 3: Global Intentional Homicide per 100,000 People Compared to Inflation (GDP Deflator, Annual %)



After the financial crisis, most developing and developed countries started aligning with others in their continent. Moreover, changes seen in global homicide rates were reflected in the countries' unemployment rates.

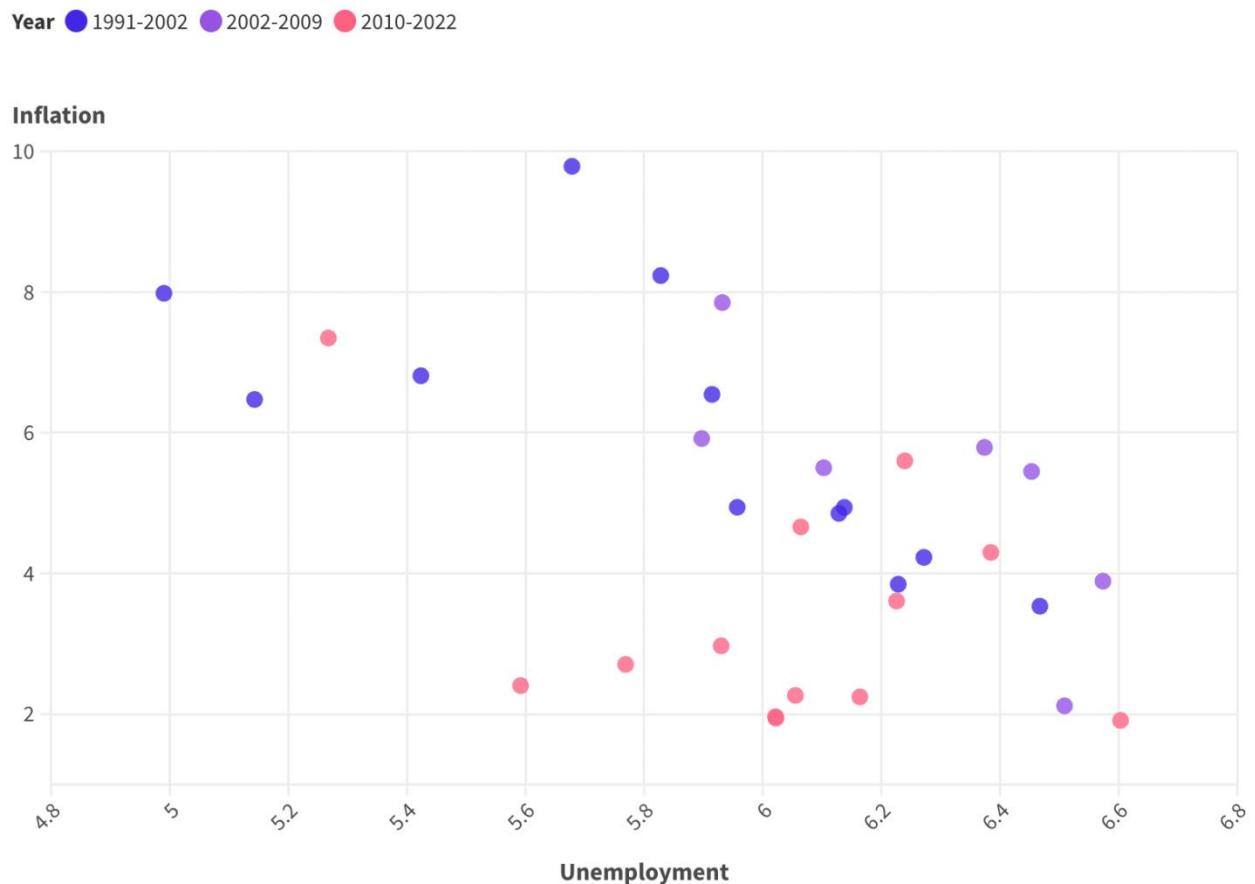
4. Analysis

By illustrating correlations between economic factors, it can be seen how (or if) their relationship has an observable impact on crime.

In theory, unemployment and inflation cannot coexist, as shown in Figure 4. When the ideal inflation rate of 2% is reached, unemployment skyrockets to values greater than 2%. Conversely, when the ideal unemployment rate of 5% is attained, the rate of inflation ranges between 6% and

8%. This would directly disprove the hypothesis of unemployment and inflation having implications for modern-day violent crime.

Figure 4: Global Phillips Curve (Data from 1991-2022)



Between 2010 and 2022, a period marked by the aftermath of the financial crisis and the mid-pandemic era, inflation rates remained relatively low, and homicide rates were also comparatively lower, despite high unemployment rates. This trend contrasts with the period from 2002 to 2009, spanning the years between 9/11 and the financial crisis, where homicide rates were decreasing in correlation with the decline in unemployment, even though the inflation rate was higher.

The average number of intentional homicides committed over the years has gradually reduced, with significant changes observed post-2001, a time characterized by global shifts in economies and policies. Notably, the global inflation rate reached an all-time low of 3.5%, a record only surpassed during the financial crisis when inflation dropped to 2.1%. Despite the subsequent

volatility in inflation rates, violent crime rates have remained stable. This stability suggests that fluctuations in inflation have not elicited a corresponding response in crime rates, indicating other underlying factors at play in maintaining lower homicide rates.

An example of the hypothesis being disproven is Russia—a country in transition—which has higher crime rates. In 2022, it was in the process of becoming a developed economy. The rapid increase in its economic growth led to unemployment rates spiking to 17.01% [10], a 0.6% increase from the global natural rate of unemployment of 5%. Unlike its neighbouring economies (discussed further in section 4.2.2), it has high crime rates. However, due to recent events, it could be argued that Russia is becoming less developed. Its development has been stunted as global restrictions have been imposed following its invasion of Ukraine.

It can be generalised that there is a directly proportional link between homicide inflation and unemployment. However, this link exists in cases where either is significantly low and isn't as evident when one is higher. But when looking at specific cases like Russia the correlation is exactly as hypothesised. To avoid generalizing the dynamics, it is more effective to explore specific examples of cases or situations that promote low homicide rates.

5. Case Studies: Country-Specific

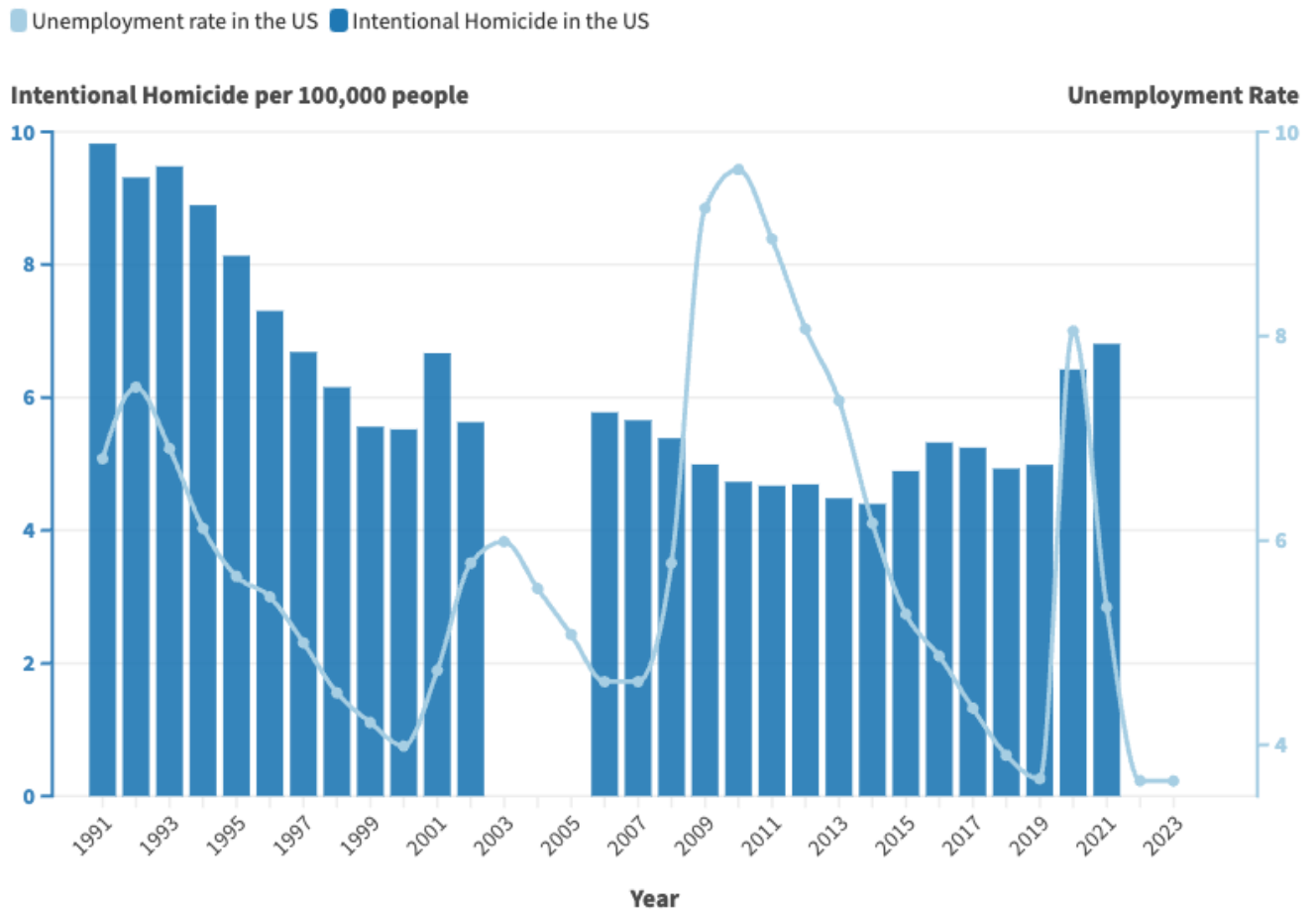
5.1. Developed

5.1.1. The United States of America

There are many anomalies to the proposed hypotheses, while it is quantifiably supported by the vast majority of countries and official documents published by UNDOC—which state that higher firearm legislations lead to higher crime rates—The United States of America doesn't conform. With the highest crime rates out of all the developed and some developing countries(such as European and Asian ones). The legislation—specifically those on firearms—is what is attributed to the lack of conformity in the United States. Another interesting aspect of the US economy is how inflation and unemployment almost seem to be directly proportional—until post-2009—as illustrated below.

The United States's Unemployment rate is 3.8% [11] as of March 2025, however, the natural rate of unemployment for the United States is 4.4% [12]. According to Figure. 5. Abundance of employment opportunities causes a significant decline in violent crimes (Ahmed, Doyle & Horn, 1999). However countries with lower unemployment rates on average offer lower wages, which is one of the factors which contribute to higher crime rates—high violent crime rates caused by unemployment, family disruption, and economic deprivation(Ahmed, Doyle & Horn, 1999).

Figure 5: U.S. Unemployment Rate Compared to Intentional Homicide per 100,000

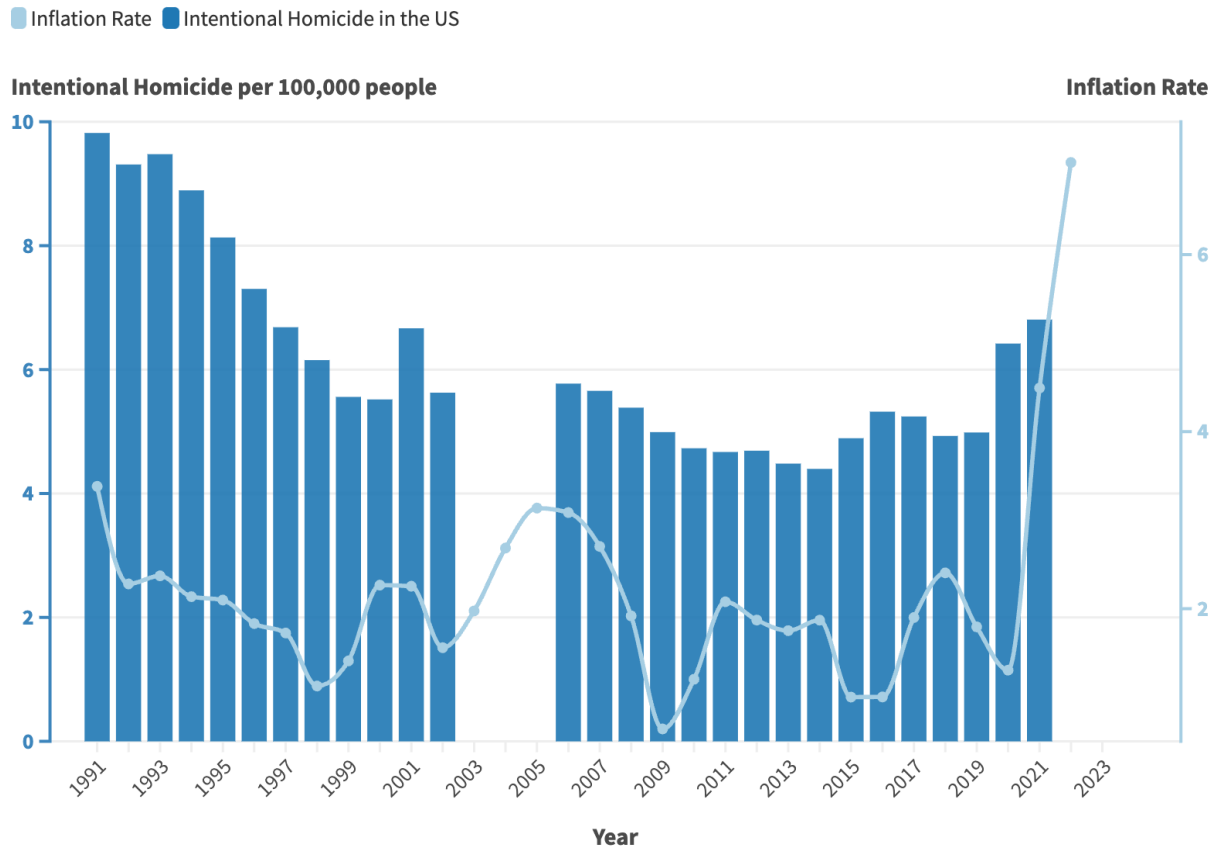


The unemployment rate and intentional homicides are directly proportional exclusively while decreasing. So as unemployment rates decreased—due to the dot-com bubble crash and the insurgence of technology—so do homicide rates, yet the vice versa doesn't occur. The outliers are; 2002, when the NASDAQ crashed due to the rapid rise from under 1,000 to more than 5,000 between the years 1995 and 2000, everything that goes up must come down and it did in 2002; another abnormality is between 2014-2017, showing that when there has been a decrease in the unemployment rate there was an increase in the crime rate; 2021, where it is probable that the data is skewed due to post-COVID times.

On paper, the United States should be bottom 5 in terms of homicide rates, rather than top 10. The reality of the US's low unemployment and inflation rates, however, is not commendable. They fall below both their own and the world's natural rate of unemployment. Yet the exploitation of the labour force isn't causing mental stress on its residents as it is ranked 23rd on

the World Happiness Report at 6.725. With the main economic factors and mental health being eliminated, heads turn to legislation to be the one to blame for the state of this ‘prospering’ country.

Figure 6: U.S. Inflation Rate Compared to Intentional Homicide per 100,000



An integral bill that was passed was the 1994 Crime Bill, also known as the Violent Crime Control and Law Enforcement Act of 1994. The bill was signed by President Bill Clinton to battle the all-time high violent crime rates. Attention was brought towards this matter due to rising public concern over crime and high-profile incidents such as the Polly Klaas kidnapping and the Long Island train shooting. This created political pressure to recreate the criminal justice landscape of the US. In order to reach an end to the abuse of the federal habeas corpus statute which currently allows death row inmates in state prisons to file a seemingly endless series of appeals in federal court, they allocated grants of US\$22 billion, with US\$3 billion allocated for expanding prisons and incentivising stricter sentencing laws. Moreover, a clause emphasised

"three-strikes-and-you're-out" as a top priority alongside other measures like "cops on the street" and assault weapons ban[13].

The US is also very similar to its neighbour developed country, Canada. They both share the ideals of democracy, justice and freedom which creates the foundation of the multilateral state of their affairs. Moreover, they both have a strong focus on interventionist policies—promoting economic growth through beneficiary regulations to producers and consumers[14]. While being similar in terms of economic development and policies, there is something else that sets Canada apart from the US in terms of homicide rates—the legislation. One particular legislation that Canada has implemented is the Good Samaritan law, which states a duty to rescue those in danger.

5.1.2. Japan

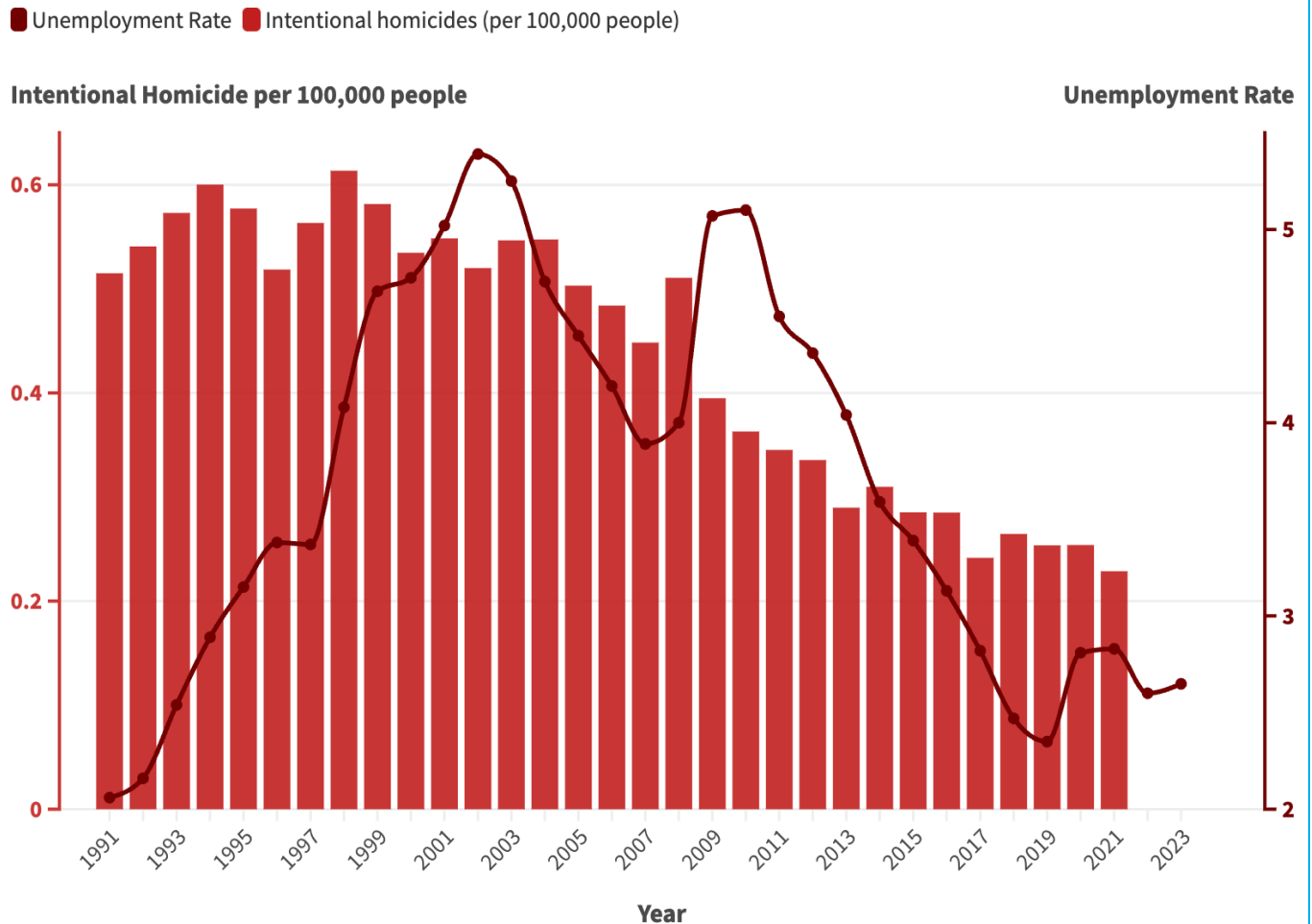
The implication of deflation has been a subject of debate. While it can lead to increased unemployment and debt, if high inflation is a significant factor in causing violent crime, then could recessions be a solution to lowering its occurrence? Japan not only differs from the US in terms of legislation but also in economic conditions, having been in a prolonged state of recession for 20 years.

The "Lost Decade" signifies Japan's prolonged economic crisis during the 1990s, following its peak in the 1980s as the world's leading per capita gross national product (GNP). Loose monetary policies, adopted after Japan joined the Plaza Agreement in 1985, led to speculative bubbles by the late 1980s. However, increased interest rates in the early 1990s triggered a stock market crash and a debt crisis, initiating the Lost Decade. Japan's GDP averaged 1.3% during this period, significantly lower than other G-7 countries, while household savings increased without translating into demand, resulting in economic deflation.

Japan's labour market distinguishes itself from that of the US by being renowned for its financial sectors and booming technology hubs, these countries also exhibit lower homicide rates compared to the average, along with low unemployment and inflation rates. This characteristic is not unique to Japan but is shared with many other Asian countries.

These countries, deeply value filial piety and have an ageing population with low rates of migration due to them being notoriously xenophobic and implementing restrictive immigration laws. Another aspect of Asian culture is long-term spending, as shown by a psychology study conducted by Chen et al. It is this cultural dimension that has led to a liquidity trap, prompting the government to introduce negative interest rates to counter excessive savings.

Figure 7: Japan's Unemployment Rate Compared to Intentional Homicide per 100,000



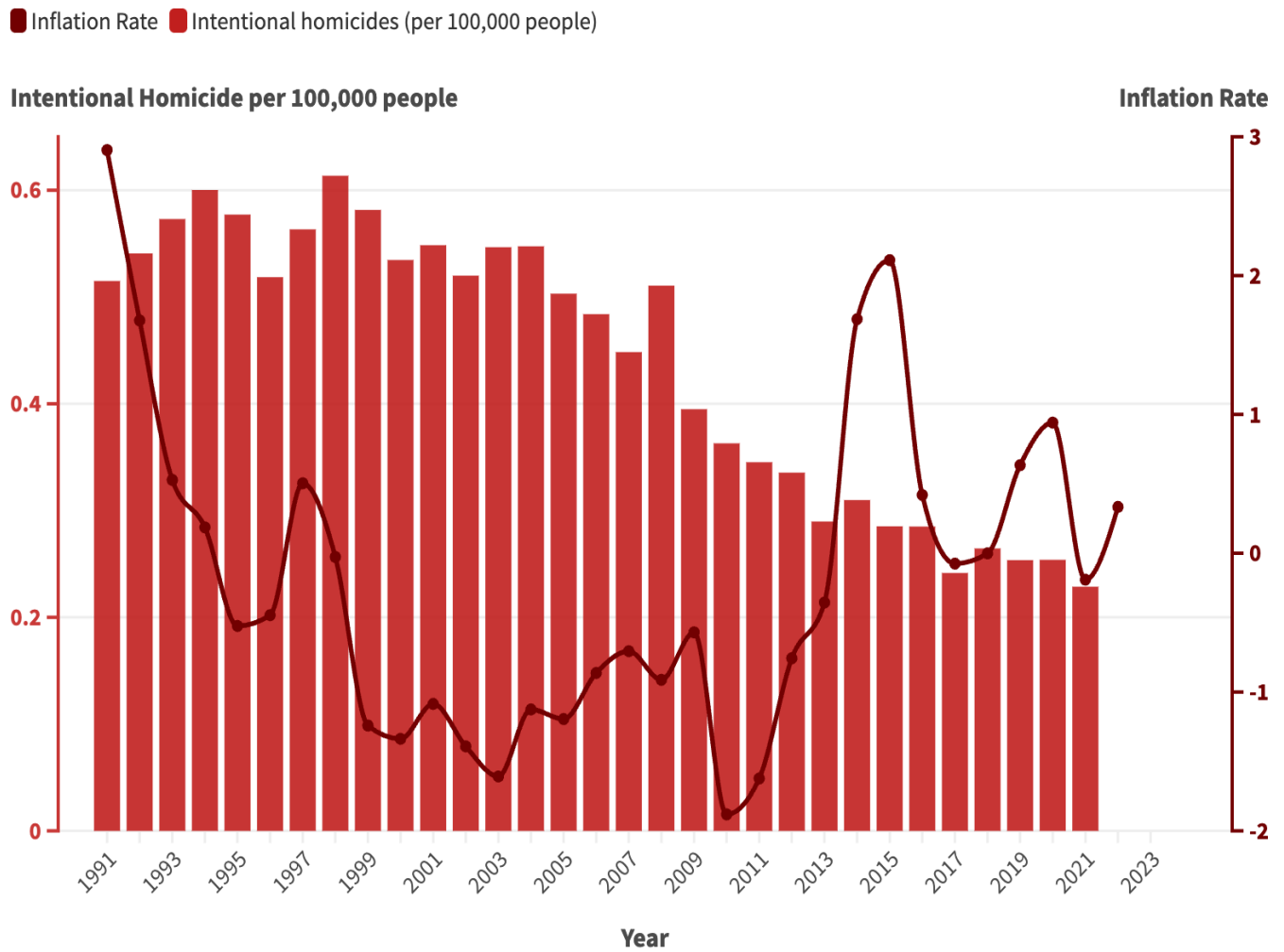
Hypothesis 1. states how there is a positive correlation between inflation rates and violent crime. So perhaps a recession could be the resolution to lowering the occurrence of violent crime. Japan has a stronger correlation between its inflation rate and intentional homicide, spikes in inflation even had an impact on homicide until 2003 (Figure. 8.).

In 2013 Japan broke its regular usual economic state(deflation) and broke the positive trend between inflation and homicide committed by implementing a strict monetary policy and flexible fiscal policy.

Globally, around 40% of homicides are committed by firearms, while in Asia, they are committed by other means. This difference may indicate a distinct mentality among citizens, with crimes potentially being more impulsive as it is more of a “spur in the moment”

phenomenon. It could also be due to a higher PPP (as Japan’s purchasing power parity is relatively high at 94.9) and more restrictive laws on assault weapons[15].

Figure 8: Japan's Inflation Rate Compared to Intentional Homicide per 100,000

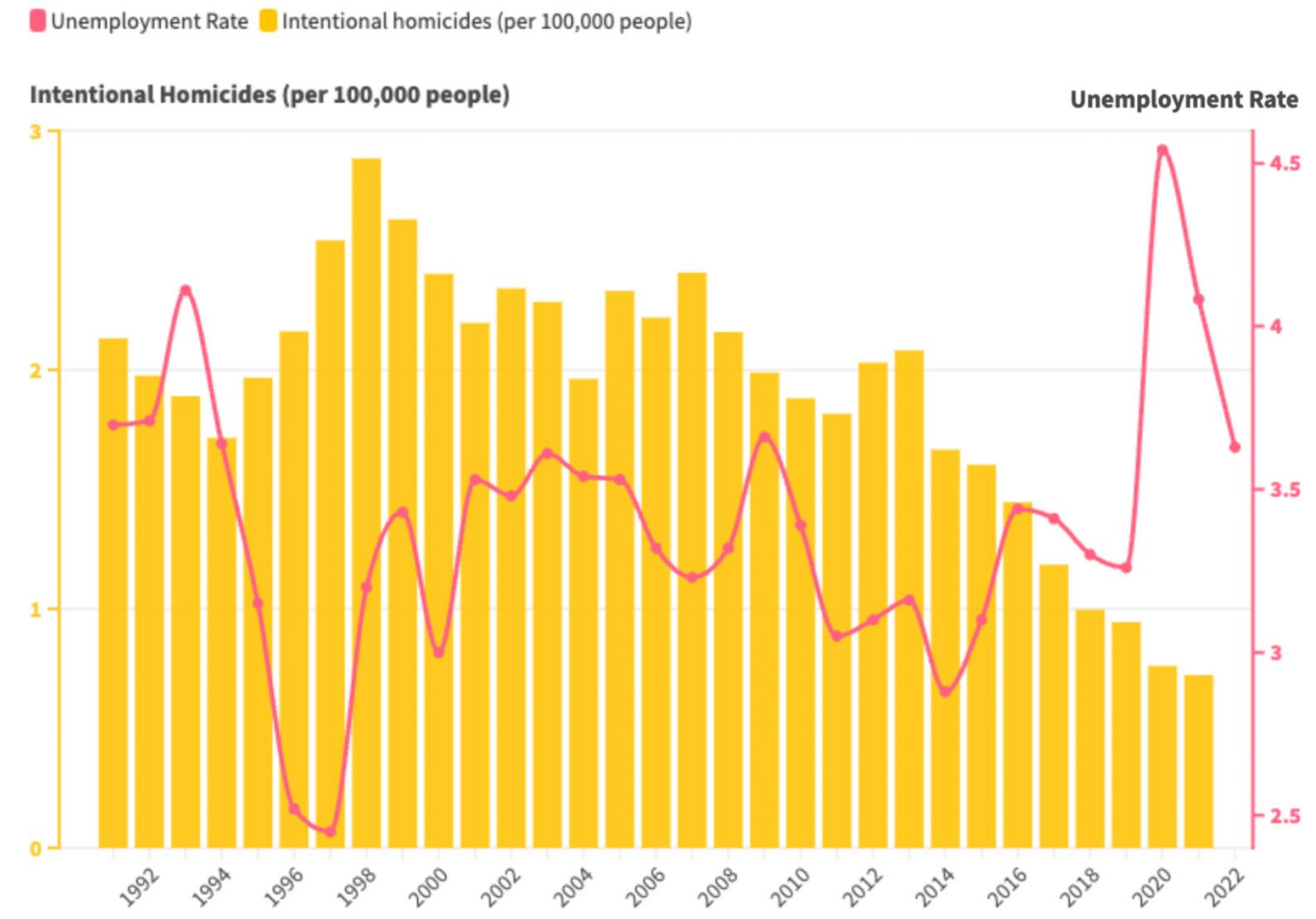


5.2. Developing

In order to validate the hypothesis, developing countries must be shown to have a marginal gap in homicide rates compared to developed countries. By identifying outliers in Figure 1., this section will disprove the hypothesis and give insight into how legislations have a role in controlling violent crime.

5.2.1. Malaysia

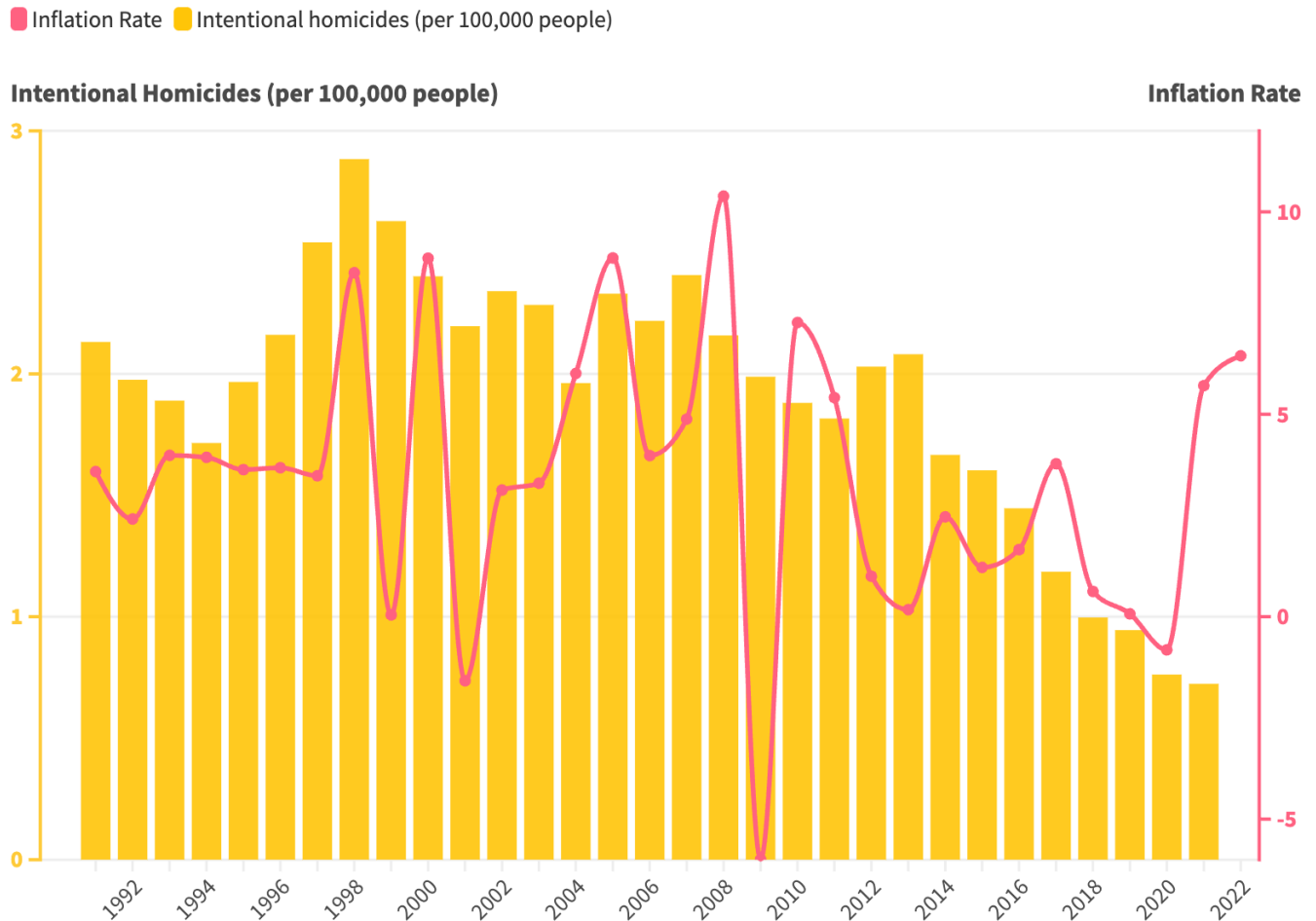
Figure 9: Malaysia's Unemployment Rate Compared to Intentional Homicide per 100,000



Contrasting Japan's trend of deflation rates and culture and the US's expansive economy, Malaysia maintains low homicide rates comparable to those of developed economies.

A stronger link exists between Malaysia's inflation rates and intentional homicide, demonstrating a direct proportional correlation. However, during 1996-1998, the inflation rates show significant volatility. This trend of volatility underscores potential weaknesses in Malaysia's economy, as observed during several global recessions where the impact is notably high. Interestingly, economic instability does not significantly impact homicide rates, as depicted in Figure. 10. Even during significant dips, such as the financial crisis of 2009 where inflation decreased by approximately 15%, homicide rates remained unchanged.

Figure 10: Malaysia's Inflation Rate Compared to Intentional Homicide per 100,000



Initially, there was a correlation between unemployment and 2008. Informal economies are 68.2% of total employment in Asian economies. Due to the lack of regulations to increase employment rates. This tactic has been effective as in the past 32 years the country's unemployment has been below 5% as shown in Figure 9.

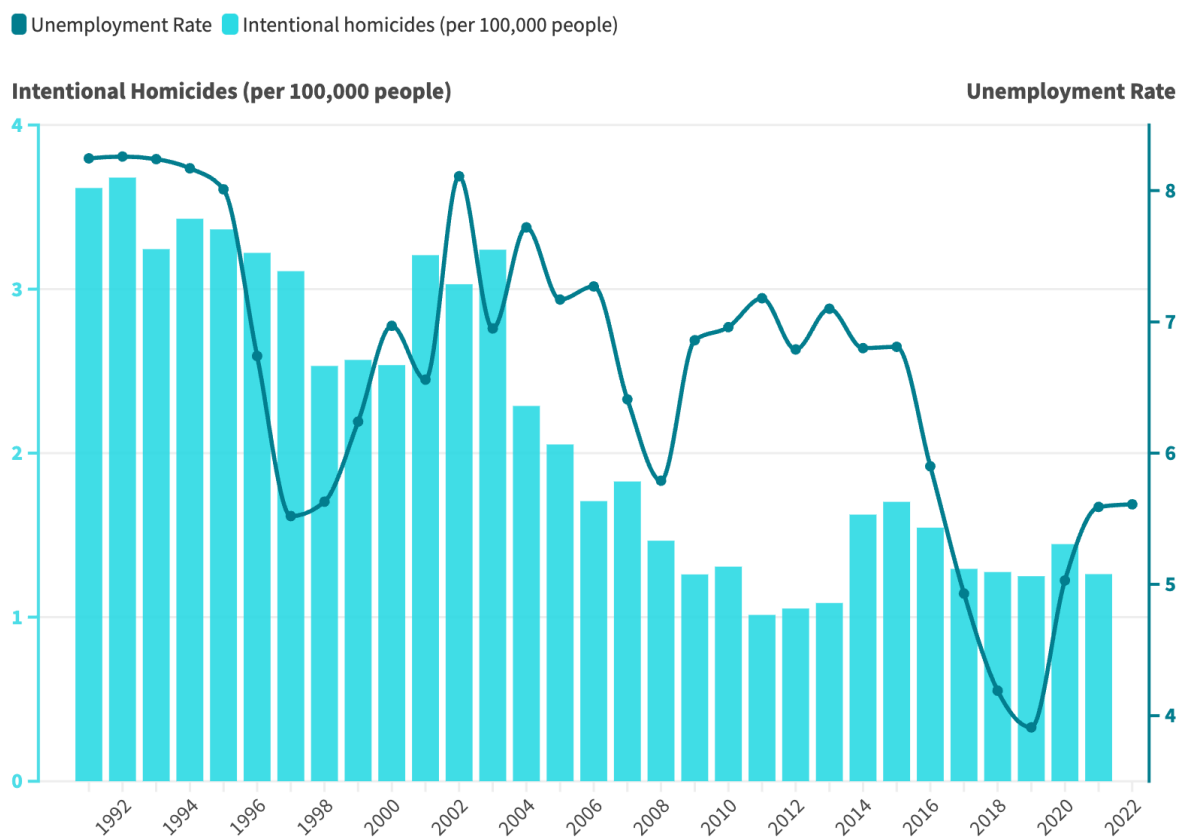
This all may point to how the economic conditions may not have an effect on Malaysia's low homicide rates but rather it could be focused on another factor. In such economic conditions, it could be easy to blame it on public policies however the quality of governance in Malaysia remains strong. Several local and international news articles support the aforementioned idea by highlighting the limitations of corruption, a fair judicial system, and effective policing (incentivized through budget allocations).

5.2.2. Romania

The status of Romania as a developing economy The “lowest crime rates can be seen in Europe. The report states [16] that “countries with high firearm rates have higher intentional homicide rates.” Crime is present due to the lack of social comfort and the general state of the harsh Romanian reality.

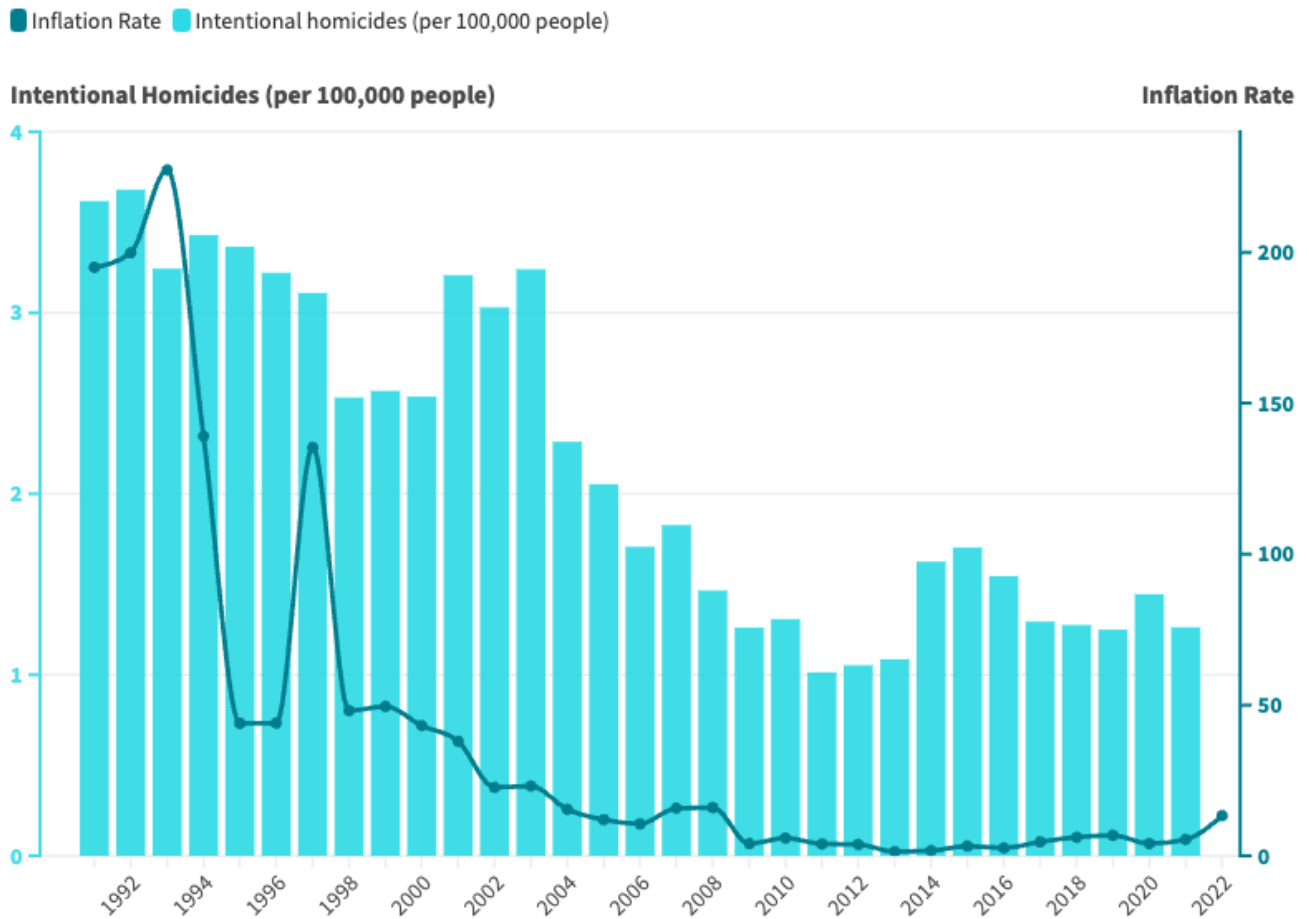
As it is a developing economy, and the socioeconomic conditions (as per a previous paper) seem dire, the region can be derived as the major factor in Romania’s crime rate.

Figure 11: Romania's Unemployment Rate Compared to Intentional Homicide per 100,000



The unemployment rate in Romania averaged 6.7% in the decade to 2022, below the 7.4% average for Eastern Europe. The unemployment rate in Romania in 2022 was 5.6% (refer to Figure 12.).In fact, this spike in unemployment occurred post-covid as seen in Figure. 8. However due to the fluctuations in unemployment there isn't a direct correlation between it and intentional homicide rates.

Figure 12: Romania's Inflation Rate Compared to Intentional Homicide per 100,000



On the other hand, Romania had to overcome peak inflation rates of 227.31% in 1993. Regardless of the drastic change, homicide rates were also shown to decrease showing a weak correlation between the two. The little crime that exists in Romania is attributed to cultural, political and economic changes in the last 20 years. Moreover, the expanding poverty phenomenon and uncertainty in the environment were causing behavioural dysfunctions[17].

It is said that the economic crisis has affected Romania’s societal well-being by altering the residents’ perception of moral and social values[18]. However, Romania ranked 32 on the World Happiness Report and is at 6.491. Regardless of socioeconomic changes, Romania remains to have a Gini coefficient of 34.6 which is lower than the world average of 37.24. The low-income inequality paired with a high ranking on the World Happiness Report exemplifies how economic equity could be a factor directly influencing Romania’s societal well-being, thereby keeping lower crime rates.

A trend seen in many European countries regardless of their HDI ranking is low crime rates. Countries such as Moldova are considered developing yet are upper-middle-class income economies and have rapid growth in GNI per capita with respect to PPP. Meanwhile, countries such as Montenegro are similarly regarded economically yet their substantial output does not contribute significantly to global warming with greenhouse gas emissions. This alludes to a trend of self-governance prevalent in Europe as there are no strict regulations imposed through government intervention.

6. Discussion: Effective Legislation

While developed economies generally have better economic conditions which contribute to better living standards and societal well-being, and in turn a reduction in violent crime, it is not a generalisable legislation for all regions.

To combat high unemployment, job training programs should be implemented in areas that have high rates of crime. Promoting entrepreneurship in high crime rate areas would aid in increasing labour mobility in a particular region. To incentivise these entrepreneurs/sunrise industries specialised loans can be designated or certain tax benefits.

Whilst economies can focus on passing certain policies to target economic development. Such as a flexible fiscal policy paired with a strict monetary policy which would stimulate the economy. It may not always be beneficiary in the case of Russia. Keep in mind the growth of the economy may not be the best way to attain development as it would not be sustainable in the long run both environmentally and economically. Russia for example had a high growth period and was close to becoming a developed economy however it had the fourth highest carbon emission rate in the world—1,661,899,300 tons(Worldometers, 2022).

The 1996 Crime Bill, aimed to reduce the violent crime committed via shooting, kidnapping and murder. However, directly dealing with the root of the cause—gun violence—would have been a more effective measure and would have saved 18 months of time and protests in order for this legislation to have been implemented.

Nations that enforce stringent regulations on assault weapons, including firearms and knives, experience crime rates involving these weapons of less than 10%. Legislation that controls this in Japan is the “Swords and Firearms Control Law”. Which states that it is illegal to carry a blade of any kind exceeding 6 cm, without justifiable grounds. Persons violating this law face imprisonment with work for up to 2 years or a fine of up to 300,000 yen[19]. Further comprehensive background checks and tests may also be conducted before certifying ownership. Such as not giving guns to those with diagnosed mental illnesses or mandating a written test and a test at the shooting range. Accuracy needs to be above 95%.

Legisitions are not the only thing however that needs to be taken care of as once it is installed, measures must be taken to regulate and control these afterwards, to ensure that they are held. In Malaysia, they allocate additional funds to the police to ensure “good policing”. Both Malaysia and Japan, ranked among the top 10 countries with the best police forces, illustrate the importance of maintaining and supporting law enforcement. Restrictions of police officers; pre-requisite should be an undergrad degree. Studies show police officers with an undergraduate degree are found to be more culturally sensitive, and are often more successful in dealing with diverse neighbourhoods. Further, implement localized recruitment strategies for police officers.

National strategies to combat the underground economy must address economic crime, including offences related to customs and fiscal regulations. Successfully targeted employment programs can help urban areas fight crime (Kohfeld and Sprague, 1988). These programs, as a form of government intervention, would have long-term implications as they take time for people to assimilate. Cyclical unemployment poses risks to both individuals and society, requiring explicit criteria in national strategies to reduce this risk[20].

In the MPI, the limited standard of drinking water shows the incidence of crime. Addressing such basic needs can reduce the desperation that often leads to criminal activity. Regulating the Universal Declaration of Human Rights would hence go a long way in ensuring equity and providing all humans with the basic necessities to live a healthy and “happy life”.

7. Limitations

7.1. Assessment methods

There may be inaccuracies in the literature review and qualitative data collected, including unreliable sources and outdated research, as many papers on this topic were heavily discussed during the 1990s and 2000s. Additionally, the statistics have limitations, excluding offences like attempted murder, infanticide, and sexual corruption. Specific crimes, such as domestic violence and verbal violence, are included tangentially under offences against a person. Romania lacks specialized taxonomies for data organization. Literature and state institutions play roles in combating and preventing criminal activity. Official statistics, issued according to normative documents, are crucial for high assurance. When comparing these statistics, official documents focus on trends rather than extreme values, assuming consistency in recording[21].

7.2. Analysis

The main issue is that "violent crime" is an umbrella term covering a wide range of offences, with each country, state, or region having its own definitions, lists of included crimes, and methods of reporting and recording[22]. Besides economic variables, changes in numerous other

factors—such as the availability and protection of potential crime targets, the presence of youth gangs, the availability of drugs and weapons, drug and alcohol consumption, the willingness to report crime, and the methods and capacities for recording crime—can significantly affect police-recorded crime trends[23].

Many hypotheses and their underlying reasoning apply only when a market deviates from its equilibrium in the short term, not accounting for real-world changes and consistent inflation. Inflation is necessary for economic growth and does not negatively impact a government's ability to make effective legislation; it simply means they have different priorities.

A limitation in the analysis section is that to evaluate the hypothesis on a global level, generalizations and assumptions had to be made based on economic theory. This theory may or may not fully explain the observed phenomena.

Conclusion

In conclusion, whilst macroeconomic factors such as unemployment and inflation do have an interactive dynamic with violent crime rate, it is more observed that the dynamic relationship predominantly exists in cases where either is significantly low and is not as evident when one is higher. So when inflation increases, then homicide does not tend to increase, but when inflation decreases then it has been seen in many cases that homicide rates tend to decrease. Some economies may have effective policies to deal with scenarios such as this, for example, Romania where their government was tasked with reducing inflation rates from 227% to 1.3% for 20 years.

Understanding these economic factors helps illuminate the patterns followed by violent crime. However, a deeper examination of psychology may be necessary to identify the multitude of external influences on crime. External factors that have been identified to affect developed economies are inequality and population density. Developing economies are additionally affected by region and poverty. These external factors can be mitigated depending on the condition of law and order in the country, government interventions, and ‘good governance’ [24], legislation, and policies to prevent certain economic factors from arising.

To attain goal 16 “promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels” it is essential to implement more efficient and transparent regulations put in place and comprehensive, realistic government budgets. Stricter regulations are mandated. Only then can we promote peaceful and inclusive societies for sustainable development. [25]

Further studies could explore the postponement of legislation during specific recessionary periods, such as the impact of the 2013-2015 era on Asian economies or the implicit effects of 9/11 on a global scale. By learning to address social conditions during our economies' worst phases, we can work towards stabilizing crime rates.

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