



## **Effects of unemployment and its relationship with crime**

**Rajnish Hooda**

Chamber No. 167, District Court, Rohtak, Haryana, India

### **Abstract**

Unemployment or joblessness is the situation of actively looking for employment but not being currently employed. This paper examines the relationship between crime and unemployment in order to understand which perspective has the overriding effect. The paper also describes whether there is a significant relationship between economic conditions and crime. In this paper, there is a focus on various laws related to crime committed by an unemployed person.

**Keywords:** joblessness, crime committed, economic conditions

### **Introduction**

Unemployment means the number of persons who are willing to work for the current wage rates in society but are not employed currently. It is the percentage of labour force depends on the population of the country. Unemployment reduces the growth potential of the economy. Now the question arises- "is there between crime and unemployment"? This question bothers hundreds of legal workers and professionals, to the point where some facts are invented and others are ignored. The ILO (International Conference of Labour Statisticians) defines the unemployed group as being above a certain age range and being available for work, seeking work and without work.

The relationship between criminals and the unemployed is very inconsistent. Crime and incarceration are skewed towards the young male group, especially to those of ethnic identity. It could be a case of co-relation and not necessarily causation; that is, we can agree that this group is the most unemployed against the rest of the board and also commits the most crime, but one does not cause the other. This group has the least advantages in life.

### **Literature Review**

Some authors, such as R. Dahrendorf, said that unemployment really has an immediate and measurable effect on criminal activity by a person, and that once in the cycle, the prolonged criminal involvement is likely to cause an even longer stint out of the job market. This cycle is very hard to break, and it takes an arrest to set the offender straight. At this point, it may be the state's desired choice to limit the habitual nature of some crimes by assigning a rehabilitation plan to this particular man or woman.

Social Forces considers how job loss affects well-being is published in 2012. Article published in the American Journal of Public Health examines the impact that unemployment and insecure employment has on an individual's health in 2015.

Two scholars from Florida State University sought to understand the link between different types of unemployment

and property crime in the U.S. in 2016. Authors Gary Kleck and Dylan Jackson consider four types of joblessness.

The study, published in the Journal of Quantitative Criminology, focuses on criminal cases taken from the 2004 Survey of Inmates in State and Federal Correctional Facilities, which is an in-prison survey of a national probability sample of prison inmates. The authors specifically analysed information related to adult inmates at state prisons who had been convicted of robbery or burglary. The authors compared information collected from inmates to a control group of non-institutionalized U.S. adults.

### **Types and causes of unemployment**

There are five types of unemployment: frictional unemployment, cyclical unemployment, structural unemployment, real wage or classical unemployment, and seasonal unemployment. The level of unemployment varies with economic conditions and other circumstances. The causes of unemployment include increased population, rapid technological change, lack of education or skills and rising cost lead to financial, social and psychological problems.

There are four main causes of unemployment. The increased population leads to higher unemployment rates. As the number of people who are looking for jobs is increasing, it is more difficult to arrange jobs for all these huge numbers of workers. In this situation the demand for work will be more than the available occupations. This will result in increased number of unemployed individuals. An unemployment situation continues as long as the demand-supply gap persists. This is very obvious in countries like China and India.

The major cause of unemployment is lack of education or skills for employment. This happens when the qualifications of a person are not sufficient to meet his job responsibilities. If the education was not directed towards the labour market then a mismatch occurs thus leading to structural unemployment. These individuals face difficulties in learning new skills applicable for the required job e.g. computer skills, management and communication. As the need for skilled and

educated workers increase for employers, the employment opportunities for those without a college education decrease leading to higher unemployment rate.

Unemployment can be due to the rising cost. The rising cost makes it hard for the companies to pay the usual optimum salary for the employees or even the minimum wage in some cases. Hence, the employees reject low wage jobs and leave the companies. For example, if the price of petrol or electricity has increased, this definitely will affect the industries or factories which depend on these energy sources. Moreover, sometimes companies need to cut down the budget due to an economic crisis, industrial decline, company bankruptcy, or organizational restructuring, so the number of employees is reduced or some positions are cancelled which increases the unemployment rates.

### **Crime Committed by Unemployed People**

Blue-collar crime is any crime committed by an individual from a lower social class as opposed to white-collar crime which is associated with crime committed by someone of a higher-level social class. While blue-collar crime has no official legal classification, it holds to a general net group of crimes. These crimes are primarily small scale, for immediate beneficial gain to the individual or group involved in them. This can also include personal related crimes that can be driven by immediate reaction, such as during fights or confrontations. These crimes include Narcotic production or distribution, sexual assault, theft, burglary, assault or murder.

- People who are out of the labour force for reasons that generally are not socially acceptable and who also are not looking for work – are most likely to commit burglary. These individuals also are significantly more likely to commit robbery.
- People who are unemployed and seeking work are no more likely to commit robbery or burglary than individuals with full-time jobs.
- Individuals who are underemployed are significantly less likely to be involved in a burglary than someone who is working full-time. Underemployed people, however, are not much less likely to commit robbery.
- Being jobless can influence age groups differently. Someone who is between the ages of 18 and 29 are jobless is more than four times more likely to commit burglary than someone who is older than 30 and in the same category of joblessness. The odds ratio is more than three times higher in the case of robbery.
- Unemployment Insurance Fraud: Most unemployment insurance fraud cases occur after a worker intentionally and knowingly makes false statements or misrepresentations in order to obtain unemployment insurance payments. Any lies, misrepresentations, or other intentional action or statement that lead to receiving unemployment insurance payments when a person is ineligible can result in fraud charges. Here are several ways people commonly commit this crime.

### **Relationship between Crime and Unemployment**

Policies designed to increase jobs in inner city areas can have a direct, positive effect on crime rates. It is obvious from study of crime across the world shows that crime rates rise and fall

with unemployment. But this truth is obscured by other factors. When a person is out of a job he is more likely to steal because the risks seem more worthwhile.

Also the violent crime, as opposed to burglary and theft, is pro-cyclical or higher in good times. This aggregate picture can arise if other crime-driving influences are disregarded. One prime candidate is alcohol consumption, which is higher in good times, but on the other hand is a hefty determinant of all sorts of crime rates. And there are other 'omitted variables' that have to be taken into account when analysing overall crime figures. One is the interaction between crime and joblessness, for the former can also cause the latter. This is a result of what 'scarring effects effect of incarceration or a greater reluctance among the criminally initiated to accept legitimate employment' When we take care of these problems, we find a positive impact of unemployment on property crime as well as violent crime.

### **Effects of Unemployment**

The financial problems which are rising from prolonged unemployment. It is known that we cannot buy anything without money; the constant income buys basic needs food, clothing and shelter. Due to the loss of income, unemployed individuals will be unable to earn money to meet financial obligations. For example, people who fail to pay mortgage payments or to pay rent will lose their housing properties and become homeless. Unemployment also prevents one from doing many things and involving in different activities e.g. travelling. Consequently, this affects the national economy leads to poverty. As a result of the financial crisis and the reduced overall purchasing capacity of a country the unemployed individuals are unable to maintain the minimum standard of living.

There are many obvious and well-documented social problems which are caused by unemployment. Because of the increased spare time and stress there will be an increase in the rates of alcoholism, drug abuse and domestic violence. Moreover, high unemployment often results in increased marriage breakdown, divisions and discrimination in society, suicide rates and crime rates especially among the young.

Unemployment also has been connected to the impaired family functioning as it affects the parents' interactions with their children and their spouse as well. Unemployed parents spend more time with their children, but the quality of these interactions suffers in comparison with those of employed parents. On the other hand, it is not clear how the unemployment play a role in these adverse events and what is the significance of other related factors.

Unemployment affects a person psychologically too. Numerous studies have revealed a relationship between unemployment and lack of self-esteem and confidence leading to depression. Besides, there is an increased anxiety and stress levels which lead to psychosomatic diseases, personal worthlessness and powerlessness.

### **Laws for employment**

In the Constitution of India from 1950, articles 14-16, 19(1) (c), 23-24, 38, and 41-43A directly concern labour rights. Article 14 states everyone should be equal before the law, article 15 specifically says the state should not discriminate

against citizens, and article 16 extends a right of "equality of opportunity" for employment or appointment under the state. Article 19(1) (c) gives everyone a specific right "to form associations or unions". Article 23 prohibits all trafficking and forced labour, while article 24 prohibits child labour under 14 years old in a factory, mine or "any other hazardous employment".

Articles 38-39, and 41-43A, however, like all rights listed in Part IV of the Constitution are not enforceable by courts, rather than creating an aspirational "duty of the State to apply these principles in making laws".<sup>[1]</sup> The original justification for leaving such principles unenforceable by the courts was that democratically accountable institutions ought to be left with discretion, given the demands they could create on the state for funding from general taxation, although such views have since become controversial. Article 38(1) says that in general the state should "strive to promote the welfare of the people" with a "social order in which justice, social, economic and political, shall inform all the institutions of national life. In article 38(2) it goes on to say the state should "minimise the inequalities in income" and based on all other statuses. Article 41 creates a "right to work", which the National Rural Employment Guarantee Act 2005 attempts to put into practice. Article 42 requires the state to "make provision for securing just and human conditions of work and for maternity relief". Article 43 says workers should have the right to a living wage and "conditions of work ensuring a decent standard of life". Article 43A, inserted by the Forty-second Amendment of the Constitution of India in 1976 <sup>[2]</sup>, creates a constitutional right to codetermination by requiring the state to legislate to "secure the participation of workers in the management of undertakings".

### **Benefits for Unemployed People**

Unemployment benefits which depend on the jurisdiction also called unemployment insurance or unemployment compensation are payments made by the state or other authorized bodies to unemployed people. In the United States, benefits are funded by a compulsory governmental insurance system, not taxes on individual citizens. Depending on the jurisdiction and the status of the person, those sums may be small, covering only basic needs, or may compensate the lost time proportionally to the previous earned salary.

Unemployment benefits are generally given only to those registering as unemployed, and often on conditions ensuring that they seek work and do not currently have a job, and are validated as being laid off and not fired for cause in most states.

The unemployment insurance benefits program is designed to provide people with an income when they are unable to find work, have been laid off, or are out of work because of factors out of their control. Each state has its own unemployment insurance benefits program that they run in conjunction with the federal government.

State laws determine who is eligible for unemployment payments, as well as determine the penalties for people who misuse or abuse the program. In some situations where people or employers misuse unemployment programs, criminal unemployment insurance fraud charges are possible.

### **Punishment for the criminals**

Crimes are punished according to the seriousness of the act, and often take into consideration the prior criminal history of the defendant. A punishment is the imposition of an undesirable or unpleasant outcome upon a group or individual, meted out by an authority—in contexts ranging from child discipline to criminal law—as a response and deterrent to a particular action or behaviour that is deemed undesirable or unacceptable.

People who commit unemployment insurance fraud can face both civil and criminal penalties. A civil penalty usually involves a fine, while criminal penalties can include fines, incarceration, probation, and other penalties. Individual state laws determine what penalties apply in unemployment fraud cases, and differ significantly from state to state.

### **Conclusion**

The results suggest that some of the focus on the economics of crime needs to be redirected from focusing solely on the supply of offenders toward looking at the supply of victims. This study's ability to repeatedly present a significant relationship between unemployment and crime is something that most of the research focusing on the motivational aspect has been unable to conclusively prove. Common theory in public policymaking is that higher unemployment causes higher rates of crime.

### **References**

1. Rudolph Winter-Ebmer is Professor of Economics at the University of Linz, Austria.
2. Stephen Raphael is Assistant Professor at the Goldman School of Public Policy, University of California, Berkeley, USA.
3. Wickman, Forrest. 2012-05-01. Working Man's Blues. Slate. ISSN 1091-2339. Retrieved 2016-05-17.
4. Box, Steven. *Recession, Crime and Punishment*. London: Palgrave Macmillan, 1987, ISBN 0-333-43853-1
5. Cantor D, Land KC. Unemployment and crime rates in the post-World War II U.S.: A theoretical and empirical analysis. *American Sociological Review*. 1985; 50:317-32.
6. Clarke Ronald R. (ed.) *Situational Crime Prevention: Successful Case Studies*. Second Edition. New York: Harrow and Heston, 1997, ISBN 0-911577-39-4
7. Hugo Adam Bedau. "Theory of Punishment". *Stanford Encyclopedia of Philosophy*. Retrieved, 2010, 2010-08-04.
8. Kleck, Gary, Jackson Dylan. What Kind of Joblessness Affects Crime? A National Case-Control Study of Serious Property Crime, *Journal of Quantitative Criminology*, 2010, 2016. doi: 10.1007/s10940-016-9282-0.