INCEIF | KNOWLEDGE MANAGEMENT CENTRE
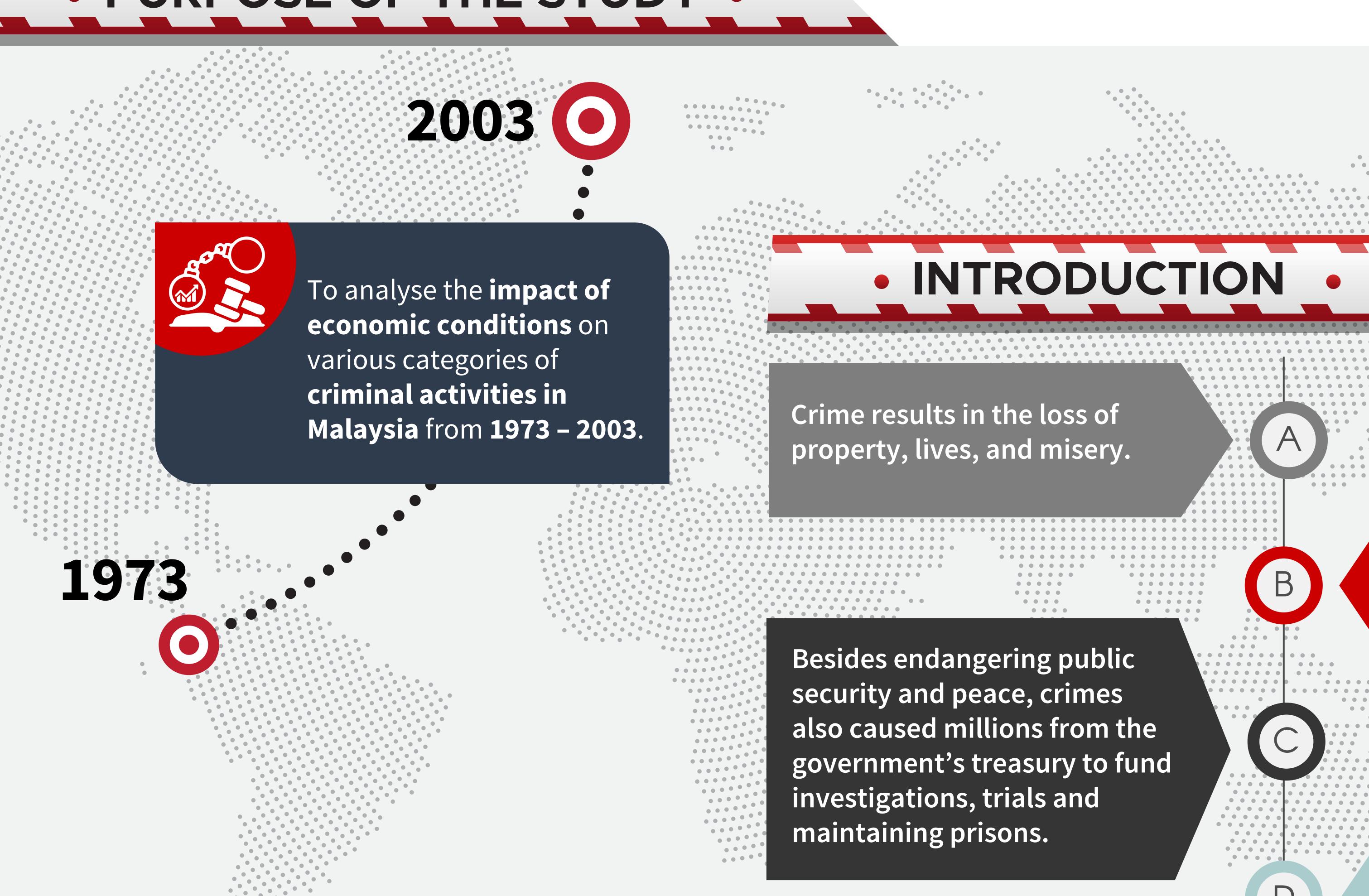Advancing Islamic Finance Knowledge

CRIME AND ECONOMIC CONDITIONS IN MALAYSIA

FIND OUT MORE AT INCEIF KNOWLEDGE REPOSITORY (IKR)

https://ikr.inceif.org/handle/INCEIF/1495

PURPOSE OF THE STUDY

2003

To analyse the **impact of economic conditions** on various categories of **criminal activities in Malaysia** from **1973 – 2003**.

1973

INTRODUCTION

A Crime results in the loss of property, lives, and misery.

B Malaysia is no exception to crime offenders.

C Besides endangering public security and peace, crimes also caused millions from the government's treasury to fund investigations, trials and maintaining prisons.

D With rapid increment in population more and more criminals are born.

SOURCES OF DATA

The crime activities are classified into 12 categories:

VIOLENT CRIME
- Murder
- Attempted murder
- Armed robbery
- Robbery
- Rape
- Assault

PROPERTY CRIME
- Daylight burglary
- Night burglary
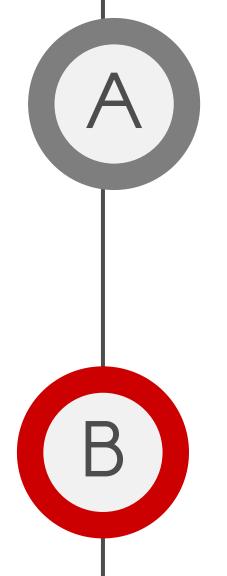- Lorry-van theft
- Car theft
- Motorcycle theft
- Larceny

* Data for the period 1973-2003, collected from Royal Police of Malaysia (Polis Diraja Malaysia)

THE EMPIRICAL RESULTS

A There are long-run relationships between rgnp and the crime variable (murder, armed robbery, rape, assault, daylight burglary, and motorcycle theft)

B In a strong economic performances criminal activities with respect to murder, rape, assault, daylight burglary, and motorcycle theft will rise in Malaysia.

C Higher economic growth means higher income and an increase of accumulated wealth of the population. But, the increase in the size of individual's wealth will portray potential loot from crime will also rise.

CONCLUSION

- The causal effect in all cases runs from economic conditions to crime.
- Important implication of this result is that rgnp is an exogenous variable and it is therefore useful for fiscal policy variable.