

PRICES, POLICING AND POLICY: THE DYNAMICS OF CRIME BOOMS AND BUSTS

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Abstract

In many historical episodes, criminal activity displays booms and busts. One clear example is the case of metal crime in the UK (and elsewhere) where, in the face of big increases in value driven by world commodity prices, thefts rose very sharply in the 2000s, after which they fell. This paper studies the respective roles of prices, policing and policy in shaping this crime boom and bust. Separate study of each reveals metal crime being driven up via sizeable and significant metal crime-price elasticities and driven down by changes in policing and policy. A regression-based decomposition analysis confirms that all three of the hypothesised factors considered in the paper – prices, policing and policy – were empirically important in the different stages of metal theft's boom and bust. (JEL: K42)

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