Ever since the seminal paper by Garry Becker (1968) “Crime and Punishment: An Economic Approach,” there has been a large body of literature which supports the relationship between crime and incentives. These incentives include the likelihood of being caught and the severity of the punishment as well as those which explicitly determine the costs and benefits of criminal activity. This dissertation studies different aspects of the relationship between crime and economic, legal, social, educational, psychological, and mental health factors, using a rich set of econometric tools. The modelling approaches include time series unobserved components models, intervention analyses, standard regression techniques like instrumental variables approach, linear probability and logit models, as well as models based on panel data (fixed effects models). The data analyzed are for Virginia in the U.S., England and Wales in the U.K., and Australia. Literature in time series econometrics, econometrics of crime, sociology of crime, criminology and legal studies, economics of education, and finally psychology and health economics is reviewed for these three countries. The implications of the findings in this dissertation suggest that economic cycles driven by income and unemployment indicators are determinants of crime rates and when crime rates are high, the policy recommendations to reduce crime should include economic (e.g., improving education amongst offenders and potential offenders) as well as traditional anti-crime policies.

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