

ABSTRACT

Increased criminal activities are the growing concern of the present economies. The countries are trying to look for the factors which are responsible for rising criminal behaviors among the individuals. This study aims to investigate the relationship between crime rates and exclusion. The main objective is to analyze how exclusion is going to induce the criminal intent among the individuals of the society. However, Exclusion is very broad concept so it is suggested to use the term after dividing it into the categories of Economic Exclusion and Social Exclusion. Economic Exclusion is referring to the blocked access or the dismissal of the material needs of the people. On the other hand, Social Exclusion points out to the situation when individuals are unable to take part in the general social activities of the society. The economic uncertainties due to Economic Exclusion and non-participation in the social activities due to Social Exclusion will expedite the aggressive behavior in the marginalized groups and this will increase crime rates. The present study has used some indicators or proxies to determine the level of economic and social exclusion in the economy. The study has used Education Gini and Unemployment Rate for examining the level of Economic Exclusion. And the Inclusion of Minorities, Intergroup Cohesion, Interpersonal Safety and Trust and Voice and Accountability are the indicators used for Social Exclusion. The data used in the study is of 35 countries for the time period of 1995 – 2014. The set of countries involve both the developed and the developing countries. The study have developed a Panel ARDL (Auto Regressive Distributed Lagged) Model and have employed Pooled Mean Group estimation technique to estimate the model. The study concluded that all indicators used to determine the social and the economic exclusion have a significant long run relationship with the Crime Rates. In other words, Exclusion, both Economic and Social, has the significant impact on increasing the Crime Rates.