Crime and Education – what’s the link?

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Is it possible to scale back crime rates by raising the education of potential criminals? If so, wouldn't it be cost effective with reference to other crime prevention measures? Despite the enormous policy implications, little is known about the relationship between schooling and criminal behaviour.

The motivation for these questions isn't limited to the apparent policy implications for crime prevention. Estimating the effect of education on criminal activity may shed some light on the magnitude of the social return to education. Economists interested in the benefits of schooling have traditionally focused on the private return to education. However, researchers have recently began to investigate whether schooling generates benefits beyond the private returns received by individuals. In particular, a number of studies attempt to determine whether the schooling of one worker raises the productivity and earnings of other workers around him.

Crime may be a negative externality with enormous social costs. If education reduces crime, then schooling will have social benefits that aren't taken under consideration by individuals. In this case, the social return to education may exceed the private return. Given the massive social costs of crime, even small reductions in crime related to education could also be economically important.

There are variety of reasons to believe that education will affect subsequent crime. First, schooling increases the returns to legitimate work, raising the opportunity costs of illicit typically entails incarceration. By raising wage rates, schooling makes this “lost time” more costly. Second, education may directly affect the financial or psychic rewards from crime itself. Finally, schooling may alter preferences in indirect ways, which can affect decisions to interact in crime. For example, education may increase one’s patience or risk aversion. On net, we expect that the majority of those channels will cause a negative relationship between education and typical violent and property crimes.

Despite the various reasons to expect a causal link between education and crime, inquiry isn't conclusive. We might expect a indirect correlation between crime and education albeit there's no causal effect of education on crime. State policies may induce bias with the opposite sign—if increases in state spending for crime prevention and prison construction trade off with spending for public education, an immediate correlation between education and crime is also possible.

Theory suggests several ways during which educational attainment may affect subsequent criminal decisions. First, schooling increases individual wage rates, thereby increasing the chance costs of crime. Second, punishment is probably going to be more costly for the more educated. Incarceration implies outing of the market , which is more costly for top earners. Furthermore, previous studies estimate that the stigma of a criminal conviction is larger for white collar workers than blue collar workers which suggests that the negative effect of a conviction on earnings extend beyond the time spent in prison for more educated workers. Third, schooling may alter individual rates of your time preference or risk aversion. That is, schooling may increase the patience exhibited by individuals or their risk aversion. More patient and more risk-averse individuals would place more weight on the likelihood of future punishments. Fourth, schooling can also affect individual tastes for crime by directly affecting the psychic costs of breaking the law. Fifth, it's possible that criminal behavior is characterized by strong state dependence, so as that the probability of committing crime today depends on the number of crime committed within the past. By keeping youth off the road and occupied during the day, school attendance may have long lasting effects on criminal participation. These channels suggest that a rise in an individual’ s schooling attainment should cause a decrease in his subsequent probability of engaging in crime.

Thus, there is a correlation between education and crime and this provides a unique opportunity for governments to address the high rates of crime that plague modern societies. By spending more on education, not only can the government lead to Human Capital development, they can also avoid long term spending on crime prevention and law enforcement. and Education – what’s the link?

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