

# Exploring the Correlation Between Unemployment and Crime Rates in MERCOSUR Countries Over Two Decades (2000-2020)

---

## Introduction

Unemployment is often linked to crime, as economic instability can drive individuals toward unlawful activities. This study examines the relationship between unemployment and crime rates in MERCOSUR countries and associated states, including Argentina, Brazil, Paraguay, Uruguay, and others. By analyzing data on unemployment and crime, the research aims to uncover patterns and correlations, offering insights to help policymakers address unemployment-driven crime effectively.

---

## 1. Main Analytical Questions:

1. What is the strength and direction of the correlation between unemployment and crime rates in MERCOSUR countries?
  2. Is there evidence of causation between unemployment and crime, or is the relationship merely correlational?
  3. Does the relationship between unemployment and crime differ across geographic areas within the MERCOSUR region?
  4. How have the trends in unemployment and crime rates evolved over time, and are there observable patterns or lagged effects between the two variables?
- 

## 2. Datasets

The Project utilizes two datasets from the World Bank provide comprehensive and standardized data for exploring the relationship between unemployment and crime rates across MERCOSUR countries. The zipped CSV format ensures easy handling and compatibility with various analytical tools. The accompanying metadata provides detailed descriptions of indicators, methodologies, and data sources, ensuring transparency and clarity for analytical purposes.

### 2.1. Unemployment Rates Dataset

- Data : <https://api.worldbank.org/v2/en/indicator/SL.UEM.TOTL.ZS?downloadformat=csv>
- Meta Data: <https://databank.worldbank.org/reports.aspx?source=2&type=metadata&series=SL.UEM.TOTL.ZS>
- Data Type: Zipped
- CSVLicense: [Creative Commons Attribution 4.0 International](#)

This dataset provides annual unemployment rates as a percentage of the total labor force, modeled by the International Labour Organization (ILO). It includes data for countries globally, allowing for cross-country comparisons.

### 2.2. Crime Rate Dataset

- Data URL: <https://api.worldbank.org/v2/en/indicator/VC.IHR.PSRC.P5?downloadformat=csv>
- Meta Data: <https://databank.worldbank.org/reports.aspx?source=2&type=metadata&series=VC.IHR.PSRC.P5>
- Data Type: Zipped
- CSVLicense: [Creative Commons Attribution 4.0 International](#)

This dataset records annual crime rates measured by the number of intentional homicides per 100,000 people. It serves as a key indicator for analyzing crime levels across different regions.

## 3. Data Pipeline

This section gives a thorough overview of the pipeline, explaining its main parts, the tools used, the changes made to the data, and how we deal with problems or changes in the data's format.

- **pipeline.py** : This orchestrating module brings together the extract, transform, and load components into a cohesive automated pipeline. It defines the sequence of execution, ensuring that each step is performed in the correct order and dependencies are met.

The pipeline consisted of 3 parts

- **extract.py**: This python code is responsible for extracting data from the original sources. The International Labour Organisation and the UN Office on Drugs and Crime's International Homicide Statistics database served as the primary sources for unemployment and crime data, respectively.
- **transform.py** : The transformation step in the pipeline presented a significant challenge, especially with the crime dataset. Addressing issues such as empty or extensively null values in the crime data required meticulous handling. To ensure a uniform dataset for analysis, the shape of both the crime and unemployment datasets was aligned. Specifically, data from 1960 to 1990 (where unavailable) thus taken data from 1991 to 2021 into account and were transformed into a consistent format, facilitating seamless exploration and comparison. After 1st round of transformation around 70 countries remained same in both crime and unemployment dataset but the focus was narrowed down to the MERCOSUR countries for a more targeted investigation.
- **load.py** : After data transformation, the load module takes charge of storing the processed data in a CSV file. This step ensures that the cleaned and standardized dataset is readily available for subsequent exploration and analysis. The CSV format is chosen for its simplicity, widespread compatibility, and ease of use in various analytical tools.

### 3.3 Challenges and Solutions

- Inconsistent Formats: Resolved using parsing scripts for uniformity.
- Missing Data: Imputed gaps or excluded unreliable records.

### 3.4 Meta-Quality Measures

- Error handling with logs and retries.
- Data validation (completeness, duplicates).
- Adaptability for changing input formats.
- Automated alerts for anomalies.

This pipeline ensures accurate, efficient, and scalable processing for analyzing unemployment and crime data.

## 4. Results and Limitations

### 4.1. Chosen Data Format for the Output of the Pipeline

The pipeline output is saved in a database ensures data integrity, enabling atomic operations and providing robust security measures. It facilitates seamless querying and analysis alongside structured data, leveraging the database's scalability and performance optimizations, while also simplifying data backup and recovery processes.

unemployment\_df.head(10)

	Country Name	1991	1992	1993	1994	1995	1996	1997	1998	1999	...	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
0	Albania	10.307	30.015	25.258	20.840	14.611	13.931	16.876	20.047	20.840	...	13.380	15.870	18.050	17.190	15.420	13.620	12.30	11.470	13.067	12.683
1	Armenia	1.600	1.800	5.300	6.600	6.700	9.300	10.800	9.400	11.200	...	11.298	11.531	11.862	12.177	12.426	12.944	13.21	12.200	12.180	12.729
2	Australia	9.580	10.730	10.870	9.720	8.470	8.510	8.360	7.680	6.870	...	5.220	5.660	6.080	6.050	5.710	5.590	5.30	5.160	6.460	5.120
3	Austria	3.420	3.590	4.250	3.540	4.340	5.280	5.150	5.480	4.700	...	4.870	5.340	5.620	5.720	6.010	5.500	4.85	4.490	5.360	6.180
4	Azerbaijan	0.900	1.800	4.500	6.300	7.200	8.100	9.100	10.000	10.900	...	5.190	4.970	4.910	4.960	5.000	4.960	4.94	4.850	7.160	5.950
5	Benin	1.484	1.510	1.396	1.358	1.237	1.175	1.083	1.018	0.927	...	2.454	2.254	2.111	2.023	1.836	1.643	1.47	1.466	1.671	1.752
6	Bulgaria	11.100	15.300	16.400	12.800	11.100	12.500	13.700	12.200	14.100	...	12.270	12.940	11.420	9.140	7.570	6.160	5.21	4.230	5.120	5.270
7	Bahamas, The	12.170	14.810	12.720	13.830	10.830	11.460	9.760	7.650	7.450	...	14.020	16.180	13.800	12.000	12.700	9.800	10.00	10.051	12.867	11.665
8	Brazil	6.366	6.420	6.030	6.470	7.090	8.030	9.000	10.150	11.130	...	7.250	7.070	6.760	8.560	11.740	12.930	12.46	12.050	13.930	13.340
9	Barbados	22.683	22.940	24.540	22.980	19.660	14.710	14.610	12.400	10.610	...	11.590	11.550	12.170	9.800	8.250	8.620	8.32	8.410	10.105	9.582

Table 1: Sample Output data table for unemployment dataset after Transformation

crime\_df.head(10)

	Country Name	1991	1992	1993	1994	1995	1996	1997	1998	1999	...	2012	2013	2014	2015	2016	2017
0	Albania	7.469486	3.934936	5.786633	3.400123	7.885849	8.314658	40.999238	20.419683	16.582197	...	5.428407	4.295095	4.646160	2.220310	2.742043	2.014340
1	Armenia	5.141486	8.532529	7.751603	4.653626	3.491050	3.455700	3.056778	2.869883	2.807211	...	2.230289	2.171377	2.491410	2.605438	3.035764	2.454484
2	Australia	1.968608	1.723693	1.888664	1.797197	1.977448	1.943790	1.977159	1.795538	2.047775	...	1.069106	1.060065	1.035383	0.990754	0.938183	0.845861
3	Austria	1.328066	1.237116	1.011982	1.108960	0.981466	1.244025	0.828408	0.965413	0.750809	...	0.960896	0.719379	0.491454	0.509117	0.618097	0.795681
4	Azerbaijan	4.735836	7.378975	6.175625	6.379541	5.615179	5.032015	3.549973	3.482113	2.987120	...	2.129549	2.298617	2.422530	2.139204	1.694024	1.807067
5	Benin	7.469486	8.189933	8.509661	10.776662	10.797970	10.087810	9.990271	8.835399	8.600639	...	8.910891	8.430357	8.631802	8.224460	8.945892	1.127497
6	Bulgaria	4.299640	5.329617	5.690042	5.755419	5.827135	5.213432	4.784249	4.626635	4.006223	...	1.882926	1.466795	1.519233	1.723842	1.090261	1.434055
7	Bahamas, The	10.142814	14.540425	12.145840	17.687285	13.353185	16.725013	14.830553	8.835399	8.600639	...	28.791214	30.856995	31.351910	37.178744	28.031967	30.574909
8	Brazil	18.357327	16.656003	17.680255	18.543499	20.793213	23.424882	24.033101	24.526455	24.736250	...	28.197143	28.179904	29.358647	28.356406	29.589154	30.593037
9	Barbados	8.095543	8.454628	8.046116	7.642003	6.481042	10.087810	9.990271	7.586059	8.706531	...	7.965315	8.668485	9.009236	11.147751	7.895237	10.745486

Table 2: Sample output data table for crime dataset after transformation

## 4.2. Data Quality and Accuracy

The reliability of the conclusions heavily relies on the accuracy and quality of the data used. Incomplete or inaccurate data could lead to skewed results and misinterpretations.

## 4.3. Limitations

Addressing the limitations and exploring future avenues for research will enhance the depth and applicability of the findings regarding the relationship between unemployment and crime. This could lead to more informed policy recommendations and a better understanding of the complex dynamics at play.

### 1. For unemployment data following factors were not taken into account:

- Employment and unemployment due to seasonal unemployment nature eg. in agriculture etc. was not taken into account
- Many Women are often responsible for the care of children and the elderly and for household affairs and also due to social, cultural discrimination and thus mainly are not registered as unemployed.
- There may be also persons not currently in the labour market who want to work but do not actively "seek" work because they view job opportunities as limited, or because they have restricted labour mobility, or face discrimination, or structural, social or cultural barriers.

### 2. For crime data following factors were not taken into account:

- An analysis of official reports and research literature is regularly carried out to verify homicide data used by government agencies and the scientific community. As a result of the data collection and validation process, in many countries several homicide datasets have become available from different or multiple sources and thus can led to different results
- The degree to which different societies apportion the level of culpability to acts resulting in death is also subject to variation

### 3. Causation vs. Correlation:

Correlation does not imply causation. Even if a correlation exists between unemployment and crime, it does not necessarily mean that one directly causes the other. There may be confounding variables or underlying factors that contribute to both.