

**ANALYSIS OF CRIME DATA  
WITH MACRO INDICATORS  
IN THE SOUTH-INDIAN STATES  
(2003-2014)**

**Satya Harish – 20FMUCHH020009**

## **ABSTRACT**

The interplay between the crime data and two macroeconomic indicators, the GDP and literacy rate provides the interdependence of the growth of the economy to the incidence of the crime. This study focuses on the Southern states of India i.e. Kerala, Tamil Nadu, Karnataka and Andhra Pradesh from 2003 to 2014.

To ascertain the intricate relationship between the crime data and key macroeconomic indicators and discern patterns, the study employs a quantitative methodology. To streamline the data, factor analysis and factor extrapolation to enhance the accuracy of the data, methodology is applied which facilitates in understanding the literacy trends and their potential impact on crime rates over a decade.

The statistical analysis and research are achieved using the multiple linear regression technique.

## **INTRODUCTION**

Crime data analysis, coupled with macroeconomic indicators, serves as a crucial lens for understanding the dynamics of economic growth and its correlation with criminal activities. This study narrows its focus to the Southern states of India, aiming to unravel patterns within crime data by examining the influence of GDP and literacy rates from 2003 to 2014.

### **Objectives of the study-**

- To check whether there is a relationship between the crime data and macroeconomic indicators like literacy rate, Gross Domestic Product (GDP).
- To check the above relationship for the Southern states of India - Kerala, Tamil Nadu, Karnataka, and Andhra Pradesh over 10 years.

### **Methodology-**

- The choice of employing factor analysis and multiple linear regression deserves elucidation. Factor analysis helps streamline variables, while multiple linear regression assesses the intricate relationship between crime data and macroeconomic indicators. However, it's imperative to acknowledge the strengths and limitations inherent in these methods. Additionally, detailed insights into data collection sources and methods ensure transparency in research practices.

### **Limitations of the report-**

- It is based on secondary data and state-wise data is available only for a decade (2004-2013)
- It is only an empirical report and doesn't consider any policy impact or qualitative variables.
- Forecasted literacy rates are assumed to follow a linear trend.
- The rationale for the varied grouping of crimes in each state, as indicated by the factor analysis results, remains uncertain.

## **Crime data variables**

- **Infanticide**
- **Murder**
- **Rape**
- **Kidnapping and Abduction**
- **Foeticide**
- **Abetment of Suicide**
- **Exposure and Abandonment**
- **Procurement of Minor Girls**
- **Buying of girls for prostitution**
- **Selling of girls for prostitution**
- **Prohibition of Child Marriage Act, 2006**
- **Other Crimes**
- **Total Crimes Against Children**

**These variables are the dependent variables for each state and the time i.e. years are the independent variables.**

## **Macroeconomic indicators-**

1. **Literacy rate** – The literacy rate is a measurement of how many people in a specific nation or area are literate. It is frequently used as a gauge of a nation's level of human development and education.
  - A higher percentage of the population often has access to education and the knowledge needed to engage in economic and social activities when there is a high literacy rate. Other advantages include improved health outcomes, increased political engagement, and higher rates of economic growth.
2. **Gross Domestic Product** - Gross Domestic Product, or GDP, is a measurement of a nation's or a region's overall economic production over a given period, typically a year. The value of all goods and services produced within the nation's boundaries, including those created by foreign businesses doing business there, are totalled.
  - In order to track the functioning of the economy and make wise decisions, policymakers, economists, and investors utilise the GDP as a

key indication of the state of an economy. A rising GDP shows that a nation is producing more products and services, earning more cash, and creating more employment, which can help raise living standards and expand possibilities for its population.

## **FACTOR INTERPOLATION**

Since the literacy rate is calculated for every ten years for the states, it is difficult to interpret results for a decade with crime rate affecting every year.

Factor interpolation is the process of estimating the factor scores or component scores for a given unit (such as a person, a group, or an organisation) for a period of time when the factor/component scores are not immediately available, but the raw data or variables used to create the factors/components are available.

When analysing longitudinal or time-series data, where the factor/component scores may change over time, but the underlying factor structure is stable, factor interpolation can be helpful. It can also be helpful for calculating scores for new units based on the raw data or variables that are available or for imputed missing data. The stability of the underlying factor structure, the assumptions employed in the analysis, and the quality and amount of the available data all have a role in how accurate factor interpolation is.

It is crucial to keep in mind that interpolation relies on known data points having a smooth, continuous relationship to one another and that the calibre and spacing of the known data points may affect how accurate the interpolated values are.

## **HYPOTHESIS**

Null Hypothesis  $H_0$ : There is no significant impact of both independent variables on the incidence of crime.

Alternative Hypothesis  $H_1$ : There is a significant impact of both independent variables on the incidence of crime.

## ANALYSIS SECTION

### → Results Discussion

The analysis section now includes a structured discussion of the results obtained through factor analysis and multiple linear regression. This provides a comprehensive understanding of the relationships observed and facilitates comparisons with existing literature.

### → Interpretation of Results

A detailed interpretation of the results is presented, emphasizing the significance of each component and its relationship to crime data. Statistical evidence supports these interpretations, adding robustness to the findings.

## 1. KERALA

### → FACTOR ANALYSIS

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	Year	Infanticide	Murder	Rape	Kidnapping and	Foeticide	Abetment	Exposure and	Procurement of	Buying of	Selling of	Prohibition	Other Crim	Total Crimes Again	Literacy rate	GDP (₹ Lakh)
2	2004	2	49	159	74	0	0	0	20	0	0	1	56	361	94.49%	11926400
3	2005	0	45	140	45	1	1	3	21	0	0	3	127	386	94.76%	13684176
4	2006	1	50	219	73	0	0	4	35	0	0	1	170	553	95.02%	15378488
5	2007	1	37	183	73	0	1	6	22	0	0	1	163	487	95.29%	17514108
6	2008	0	37	215	87	0	4	6	13	0	0	4	183	549	95.55%	20278279
7	2009	0	44	235	83	0	0	7	14	0	0	0	204	587	95.82%	23199867
8	2010	1	41	208	111	0	3	9	6	0	0	6	211	596	96.08%	26377330
9	2011	1	46	423	129	0	2	4	9	0	0	3	835	1452	96.20%	31267716
10	2012	0	34	455	147	1	3	4	10	0	0	6	664	1324	96.61%	34784078
11	2013	0	40	637	136	1	9	4	15	0	0	11	1024	1877	96.88%	39628246
12																
13																

### Component Matrix

	Component		
	1	2	3
Infanticide			.660
Murder	-.613		
Rape	.896		
Kidnapping	.842		
Foeticide	.624		
abet	.889		
exposure		-.890	
Procurement_of_minor_girls			
Prohibition_of_child_marriage_act	.907		
Other_crimes	.868		

### Rotated Component Matrix

	Component		
	1	2	3
Infanticide			-.810
Murder		.622	
Rape	.959		
Kidnapping	.908		
Foeticide			.727
abet	.835		
exposure		-.906	
Procuration_of_minor_girls		.634	
Prohibition_of_child_marriage_act	.860		
Other_crimes	.949		

## **RESULTS AND DISCUSSION**

The statistical analysis involved a rigorous process, starting with the extraction method of Principal Component Analysis (PCA) and a rotation method employing QUARTIMAX, which converged in three iterations. The Eigenvalue, surpassing 1, and absolute values of 0.6 indicated the robustness of the analysis.

### **Component Analysis:**

#### → Component 1:

Positively associated with murder, procurement of minor girls, prohibition of minor girls, prohibition of the Child Marriage Act, and other crimes. This suggests an underlying factor linking these crimes.

#### → Component 2:

Positively associated with rape and kidnapping, and negatively associated with exposure and abandonment. Implies a shared underlying factor among these crimes.

#### → Component 3:

Positively associated with foeticide and negatively associated with infanticide, suggesting a potential relationship.

## Multiple Linear Regression:

	TYPE 1	TYPE 2	TYPE 3	Literacy rate	GDP (₹ Lakh)	SUMMARY OUTPUT																																											
2004	290	69	2	94.49%	11926400	<div>Regression Statistics</div> <div>Multiple R0.979467156</div> <div>R Square0.959355909</div> <div>Adjusted R Squ0.947743311</div> <div>Standard Error122.3776946</div> <div>Observations10</div>																																											
2005	316	69	1	94.76%	13684176																																												
2006	463	89	1	95.02%	15378488																																												
2007	421	65	1	95.29%	17514108																																												
2008	493	56	0	95.55%	20278279																																												
2009	522	65	0	95.82%	23199867																																												
2010	539	56	1	96.08%	26377330																																												
2011	1392	59	1	96.20%	31267716																																												
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To further investigate the relationship between crime data and macroeconomic variables, multiple linear regression was conducted. The analysis focused on Type 1, representing the sum of variables under Component 1 over the ten years. Similarly, for Types 2 and 3 as well.

## Interpretation:

The relationship's significance was assessed through the P-value for independent variables (GDP and literacy rate). A threshold of 0.05 was set for significance. In this case, both the literacy rate and GDP rate proved to be significant, leading to the acceptance of the alternate hypothesis.



## 2. KARNATAKA

### └ FACTOR ANALYSIS

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	
1		Year	Infanticide	Murder	Rape	Kidnapping and Foeticide		Abetment of Suicide	Exposure and Aba	Procurement of M	Buying of girls	Selling of girls	f	Prohibition of C	Other Crim	Total Crim	Literacy rate	GDP (₹ Lakh)
2	KARNATAKA	2004	8	46	42	41	4	1	17	4	0	0	1	25	189	69.01%	16674713	
3	KARNATAKA	2005	5	42	48	35	7	1	18	7	0	0	3	25	191	69.99%	19590407	
4	KARNATAKA	2006	9	54	84	62	13	0	31	2	0	0	6	15	276	70.97%	22723706	
5	KARNATAKA	2007	3	50	84	62	7	0	25	8	0	0	4	23	266	71.95%	27062879	
6	KARNATAKA	2008	13	71	97	99	5	1	31	4	0	0	9	58	388	72.93%	31031233	
7	KARNATAKA	2009	4	56	104	67	7	1	21	4	0	1	3	40	308	73.91%	33755850	
8	KARNATAKA	2010	2	43	108	125	4	0	30	21	0	0	8	68	409	74.89%	41070316	
9	KARNATAKA	2011	8	44	97	109	1	0	21	8	0	1	12	33	334	75.60%	45521235	
10	KARNATAKA	2012	3	54	142	471	3	0	41	45	0	0	20	96	875	76.85%	52267274	
11	KARNATAKA	2013	4	64	270	700	0	0	58	71	0	1	26	159	1353	77.83%	61460704	
12																		

### Component Matrix

	Component	
	1	2
Infanticide		.811
Murder		.831
Rape	.965	
Kidnapping	.982	
Foeticide	-.620	
Abbettement_of_suicide		
Exposure_and_abbettement	.948	
Procurement_of_minor_girls	.974	
Prohibition_of_CMA	.962	
Other_crime	.970	

### Rotated Component Matrix

	Component	
	1	2
Infanticide		.849
Murder		.761
Rape	.966	
Kidnapping	.974	
Foeticide		
Abbettement_of_suicide		
Exposure_and_abbettement	.960	
Procurement_of_minor_girls	.948	
Prohibition_of_CMA	.959	
Other_crime	.972	

## **RESULTS AND DISCUSSION**

The analytical process encompassed Principal Component Analysis (PCA) as the extraction method and VARIMAX as the rotation method, which converged in three iterations. The Eigenvalue exceeding 1, with an absolute value of 0.6, attested to the robustness of the analysis.

### Component Analysis:

- ⊃ Component 1:

Positively associated with rape, kidnapping, exposure and abetment, procurement of minor girls, prohibition of the Child Marriage Act (CMA), and other crimes. This suggests an underlying factor linking these crimes, indicating a potential pattern or commonality.

- ⊖ Component 2:

Positively associated with infanticide and murder, implying a shared underlying factor between these crimes.

## Multiple Linear Regression:

[illegible]

To assess the relationship between crime data and macroeconomic variables, multiple linear regression was conducted. The analysis focused on Type 1 representing the sum of variables under Component 1 over the ten-year period.

## Interpretation:

The significance of the relationship was gauged through the p-value for independent variables (GDP and literacy rate). A significance threshold of 0.05 was applied. In this analysis, both GDP and literacy rate proved to be significant. Therefore, alternate hypothesis is accepted.

## 3. TAMIL NADU

### — FACTOR ANALYSIS

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	
1		Year	Infanticide	Murder	Rape	Kidnapping and	Foeticide	Abetment	Exposure and Aba	Procuratio	Buying of	(Selling of	g	Prohibitor	Other Crim	Total Crimes	Against Ch	Literacy rate	GDP (₹ Lakh)
2	TAMIL NADU	2004	17	54	166	93	0	3	20	6	0	0	5	29	393	74.83%	21900322		
3	TAMIL NADU	2005	1	53	115	69	0	1	6	0	0	0	4	39	288	75.72%	25783345		
4	TAMIL NADU	2006	1	59	125	118	0	0	12	1	0	0	6	31	353	76.60%	31052573		
5	TAMIL NADU	2007	10	44	141	197	0	0	28	2	0	0	2	17	441	77.49%	35081864		
6	TAMIL NADU	2008	20	71	187	275	0	0	19	1	0	0	4	89	666	78.37%	40133605		
7	TAMIL NADU	2009	9	74	182	300	0	0	0	0	0	0	0	69	634	79.26%	47973342		
8	TAMIL NADU	2010	7	73	203	459	0	1	0	13	0	0	0	54	810	80.14%	58489626		
9	TAMIL NADU	2011	7	101	271	519	0	2	2	0	0	0	0	23	925	80.33%	66720168		
10	TAMIL NADU	2012	6	89	292	576	0	1	4	28	0	0	0	40	1036	81.91%	74485915		
11	TAMIL NADU	2013	13	83	419	499	1	2	2	0	0	0	56	113	1188	82.80%	85423816		
12																			

### Component Matrix

	Component		
	1	2	3
Infanticide			.661
Murder	.735		
Rape	.973		
Kidnapping_and_Abduction	.772		
Foeticide	.817		
Abetment_of_Suicide			
Exposure_and_abandonmen t			
Procuratio		-.676	
Prohibition_of_child_marriag e_act	.754		
Other_crimes	.703		

**Rotated Component Matrix<sup>a</sup>**

	Component		
	1	2	3
Infanticide			.833
Murder	.891		
Rape	.707	.616	
Kidnapping_and_Abduction	.919		
Foeticide		.926	
Abetment_of_Suicide			
Exposure_and_abandonment	-.733		
Procuration_of_Minor_Girls	.629		
Prohibition_of_child_marriage_act		.931	
Other_crimes		.824	

## **RESULTS AND DISCUSSION**

The analytical approach involved Principal Component Analysis (PCA) as the extraction method, utilizing VARIMAX as the rotation method, with convergence achieved in four iterations. The Eigenvalue, surpassing 1, and absolute value of 0.6 affirmed the reliability of the analysis.

### **Component Analysis:**

#### **- Component 1:**

Positively associated with rape, kidnapping, murder, abduction, procurement of minor girls, and negatively associated with exposure and abandonment. This suggests a potential underlying factor linking these crimes, indicating a pattern or commonality.

#### **- Component 2:**

Positively associated with rape, foeticide, prohibition of child marriage act, and other crimes.

Positively associated with infanticide.

## Multiple Linear Regression:

	TYPE 1	TYPE 2	TYPE 3	Literacy rate	GDP (₹ Lakh)	SUMMARY OUTPUT																																											
2004	333	34	17	74.83%	21900322	<div>Regression Statistics</div> <div>Multiple R0.980511</div> <div>RSquare0.961403</div> <div>Adjusted R Square0.950375</div> <div>Standard Error62.90637</div> <div>Observations10</div>																																											
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To explore the relationship between crime data and macroeconomic variables, multiple linear regression was conducted. Multiple linear regression is executed on type 1 as it has the highest number of crime-related variables.

**Interpretation:**

The significance of the relationship was evaluated through the p-value for independent variables (GDP and literacy rate), with a significance threshold set at 0.05. In this analysis, only GDP proved to be significant, leading to the acceptance of the null hypothesis for literacy rate.

#### 4. ANDHRA PRADESH

## ➤ FACTOR ANALYSIS

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	Year	Infanticide	Murder	Rape	Kidnaping	Foeticide	Abetment of Suicide	Exposure of Minor	Procurement of Minor	Buying or Selling of Minor	Prohibition of Criminal	Total Criminal	Literacy rate	GDP (₹Lakh)			
2	ANDHRA PRADESH	2004	1	70	363	396	0	2	26	60	0	0	4	406	1328	60.88%	13476688
3	ANDHRA PRADESH	2005	1	56	315	332	1	4	99	48	9	2	9	74	950	62.06%	14760642
4	ANDHRA PRADESH	2006	0	61	412	498	5	11	89	35	5	6	17	247	1386	63.24%	17406428
5	ANDHRA PRADESH	2007	1	75	363	609	0	6	35	37	0	11	21	341	1499	64.42%	21236071
6	ANDHRA PRADESH	2008	0	64	412	433	2	7	49	48	1	2	19	284	1321	65.60%	23738349
7	ANDHRA PRADESH	2009	9	68	416	632	6	13	77	28	1	1	0	468	1719	66.78%	27332661
8	ANDHRA PRADESH	2010	6	63	446	581	1	9	55	82	0	3	0	577	1823	67.96%	31986394
9	ANDHRA PRADESH	2011	0	101	646	735	7	11	53	106	0	2	15	537	2213	67.41%	36224493
10	ANDHRA PRADESH	2012	8	105	613	781	1	21	49	30	0	4	29	633	2274	70.33%	41006812
11	ANDHRA PRADESH	2013	7	87	770	1014	7	14	43	40	0	2	16	576	2576	71.51%	46418355

### Component Matrix

	Component			
	1	2	3	4
Infanticide	.614			
Murder	.861			
Rape	.928			
Kidnapping	.949			
Foeticide				
Abetment_of_suicide	.847			
Exposure_and_abandonment		.729		
Procuration_of_minors_girls		-.719		
Prohibition_of_child_marriage_act			-.824	
Other_crimes	.863			

### Rotated Component Matrix

	Component			
	1	2	3	4
Infanticide	.622			
Murder	.842			
Rape	.935			
Kidnapping	.950			
Foeticide			.718	
Abetment_of_suicide	.833			
Exposure_and_abandonment			.838	
Procuration_of_minors_girls		.926		
Prohibition_of_child_marriage_act				.904
Other_crimes	.874			

## **RESULTS AND DISCUSSION**

The analytical procedure incorporated Principal Component Analysis (PCA) as the extraction method, employing QUARTIMAX for rotation, with convergence achieved in five iterations. The Eigenvalue, exceeding 1, and an absolute value of 0.6 validated the reliability of the analysis.

To scrutinize the relationship between crime data and macroeconomic variables, multiple linear regression was executed. Type 1 is the sum of variables under component 1 over the 10 years. Similarly, it goes for type 2, type 3 and type 4. Multiple linear regression is executed on type 1 as it has the highest number of crime-related variables.

## **Interpretation:**

The significance of the relationship was assessed through the p-value for independent variables (GDP and literacy rate), with a significance threshold set at 0.05. In this analysis, only GDP proved to be significant, leading to the acceptance of the null hypothesis for the literacy rate.

## **CONCLUSION**

This report analyses crime data in the southern states of India (Kerala, Tamil Nadu, Karnataka, and Andhra Pradesh) over a ten-year period (2004-2013) to determine if there is a relationship between the crime data and macroeconomic indicators such as literacy rate and Gross Domestic Product (GDP). The report aims to deduce the relationship between the variables and macroeconomic indicators by applying factor analysis and multiple linear regression through Excel.

<b>STATE</b>	<b>GDP</b>	<b>LITERACY RATE</b>
Karnataka	Significant	Significant
Kerala	Significant	Significant
Andhra Pradesh	Significant	Not Significant
Tamil Nadu	Significant	Not Significant