SBI RESEARCH

ECOWRAP

CRIME DOWN, DIVIDENDS UP! (WHAT INDIA'S CRIME TRENDS REVEAL ABOUT SAFETY, GROWTH AND INCLUSION):UNDERREPORTING OF CRIMES IN SELECT STATES NEEDS TO BE LOOKED INTO

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India recorded 58.86 lakh cognizable crimes in 2024, down by 6.0% from the previous year, with the all-India crime rate falling from 448.3 to 418.9 per lakh population. Encouragingly, crimes against women declined by 1.5%, from 4.48 lakh cases in 2023 to 4.41 lakh cases in 2024. However, the picture is not uniformly positive; cybercrime increased by 17%, crossing 1 lakh cases in 2024 from 86,420 cases in 2023, signaling a shift in criminal activity towards the digital space.

What may be driving the decline in conventional crime? The evidence points towards stronger public investment, enhanced surveillance and greater digitization. **A 1% increase in per-capita public capital outlay is associated with a 0.36% lower crime rate, while cities with higher CCTV density tend to record lower crime growth**. Digitization through tools such as UPI, FASTag and digital surveillance further increases the probability of detection, raising the expected cost of committing crime.

The benefits extend beyond public safety. **Our estimates suggest that a 1% decline in crime is associated with about 0.11% higher real GDP growth in the short run, with the long-run effect rising to 0.13%.** Crime also appears to impose hidden labour-market costs: states with higher crimes against women tend to exhibit lower female labour force participation, suggesting that safety influences mobility, employment choices and economic opportunity. States such as Haryana, Kerala, West Bengal and Andhra Pradesh record crime against women rates above the national average, while female labour force participation remains relatively low or only moderate.

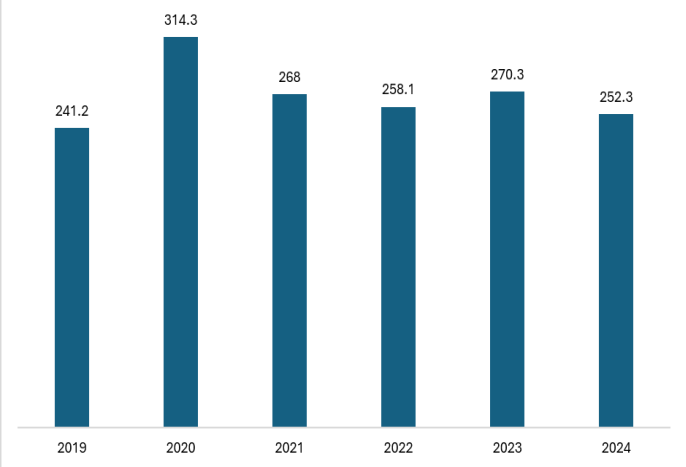
Yet, the numbers also reveal a hidden reality. While NCRB recorded only 1.21 lakh victims under cruelty by husband or relatives in 2024, juxtaposing with NFHS-based estimates suggest that nearly, an estimated 5.94 lakh cases should have reached the police, implying that only about 20.4% of likely police-contact cases are reflected in NCRB statistics and that roughly 4.73 lakh cases may remain unreported as possibly there were no FIR filed.

The most glaring example is that of **West Bengal emerges as an outlier**. **While it records high share of serious offences such as missing children, crime against women and violent crimes, its share in certain crimes remains unusually low pointing towards a possible under reporting. Thus, while the state may celebrate the success of low crimes reported, it is possible that a large number of cases were not reported as FIRs have not been concomitantly filed.**

CRIME IN INDIA HAS BEEN ON A DECLINING TREND

- The NCRB Crime in India 2024 report highlights that India recorded 58.86 lakhs cognizable crimes across all 28 states and Union territories in 2024, comprising 35.45 IPC/BNS cases and 23.42 SLL cases.
- This was a decline of 6.0% from 2023, and the all-India crime rate also fell from 448.3 to 418.9 per lakh population.
- Among States, Kerala recorded the highest total cognizable crime rate at 1,389 per lakh, while Nagaland recorded the lowest at 61.6 per lakh.
- Crime against women has witnessed a decline of 1.5% over 2023 from 4.41 lakh cases in 2024 compared t0 4.48 lakh cases in 2023.
- Cyber crime has witnessed an upward trend by 17% from 86,420 cases in 2023 to 1 lakh cases in 2024.

Trends in Crime Rate (per lakh population)



Source: National Crime Records Bureau, SBI Research

REASONS FOR DECLINE IN CRIME

- We examine possible reasons for the reduction in crime such as enhanced capital expenditure, surveillance measures such as CCTVs and digitization.

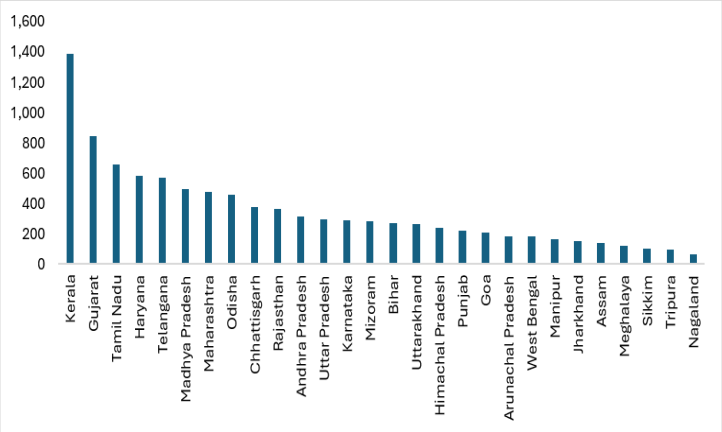
I) CAPITAL EXPENDITURE AS A CATALYST OF CRIME REDUCTION..

- Capital expenditure is a significant factor which improves state capacity and thereby strengthens deterrence of crime. Investments such as India's Safe City Project under which the government invested in urban safety infrastructure such as CCTV surveillance, GIS-based crime mapping, panic buttons in public transport, improved lighting and stronger police response systems in major cities; this type of capex helps prevent and curb crimes, especially crimes against women, by making public spaces more visible, monitored and easier to police.
- **A simple cross-sectional analysis across 28 Indian states shows a negative relationship between public capital outlay per capita and the NCRB 2024 crime rate.** Using a log-log specification, the estimated coefficient on capital outlay per capita is -0.362, implying that a ***1% increase in per-capita public capital outlay is associated with approximately a 0.36% lower crime rate***.
- In particular we also examined the role of enhanced surveillance system such as CCTV on crime rate reduction.

II) CCTV HELPING IN CRIME DETECTION...

- We assess whether CCTV-enabled surveillance is associated with better crime control in Indian cities, we carried out a city-level exploratory analysis using CCTV density and the latest NCRB 2024 crime data. CCTV density was measured as the number of CCTV cameras per square mile in a city
- **The correlation between CCTV density and change in total crime rate between 2022 and 2024 is negative, at approximately -0.148.**
- Under the Smart Cities Mission, all 100 Smart Cities have operational Integrated Command and Control Centres to integrate data, technology, surveillance and real-time monitoring for improved urban management. More than 84,000 CCTV surveillance cameras had been installed across the 100 Smart Cities, along with 1,884 emergency call boxes, 3,000 public address systems. These measures increase the perceived probability of detection.

State wise Crime Rate per lakh population



Source: NCRB, SBI Research

Public Capex and Crime Reduction	
Variable	Coefficient
Per capita Public Capex	-0.362***
*p<0.10 **p<0.05 ***p<0.01	

City	CCTV cameras per sq. mile
Chennai	615
Hyderabad	157
Mumbai	145
Indore	133
Lucknow	100
Kolkata	56
Bengaluru	18
Kanpur	9
Pune	6
Kochi	6
Jaipur	6
Surat	3
Ahmedabad	2

Source: Status of policing report in India, 2023,SBI Research

III) DIGITISATION INCREASING THE PROBABILITY OF CRIME DETECTION

- Digitization can reduce crime by reducing the anonymity of movement. With FASTag, UPI toll payments, CCTV increasingly becoming a tool of detection. **The recent West Bengal case is a good illustration where police reportedly got a major breakthrough after tracing a UPI payment.**
- Digitization increases the probability of detection, so the expected cost of committing crime rises as the chance of being tracked increases, the expected payoff from crime falls.

THE ECONOMIC DIVIDEND OF LOWER CRIME!

- **Beyond social costs, crime also carries economic consequences. Next, we examine the relationship between crime and economic growth**
- Empirical literature suggests that crime can act as a drag on economic growth by raising uncertainty, increasing security and transaction costs, discouraging investment, and crowding out legal economic activity (Goulas and Zervoyianni , 2013).
- We estimate a simple ARDL-style dynamic model using NCRB's all-India IPC/BNS crime-rate series for 1981–2024 and real GDP. The estimated model is given as $y_t = \alpha_0 + \alpha_1 y_{t-1} + \beta_0 x_t + \beta_1 x_{t-1} + \varepsilon_t$ where y_t represents real GDP, x_t represents the crime rate, y_{t-1} and x_{t-1} are their one-period lagged values, and ε_t is the error term.
- **The results show that a 1% decline in the IPC/BNS crime rate per lakh population is associated with about 0.11% higher real GDP growth in the short run. Thus. as crime declines, society gains a growth dividend.**

CRIMES AGAINST WOMEN AND FEMALE LFPR

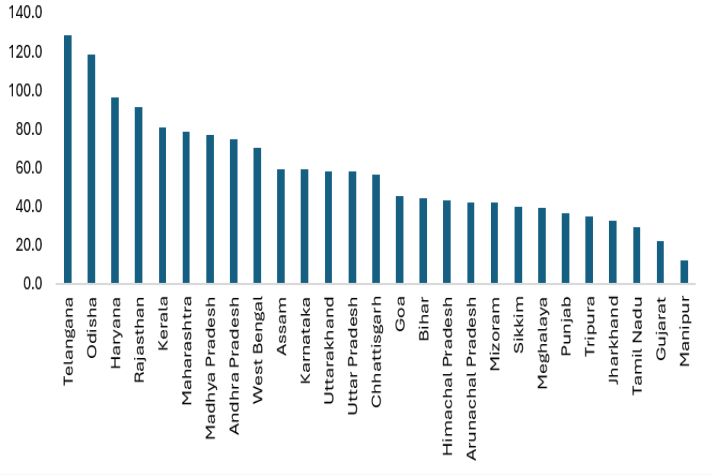
- Crime against women acts as a labour market friction and could lead to lower participation by females. We examine the relationship between women's safety and economic participation by comparing NCRB total crime against women rate with PLFS Annual Report 2025 female LFPR .
- ***The scatter plot shows a negative association: This suggests that states with higher recorded crimes against women tend to have somewhat lower female labour force participation.***
- The relationship supports the idea that women's safety may act as an economic friction by affecting mobility, commuting, workplace access, and household decisions about women's work.
- **States such as Haryana, Kerala, West Bengal and Andhra Pradesh record crime against women rates above the national average, while female labour force participation remains relatively low or only moderate.**
- **The broader implication is that women's safety is not only a law-and-order issue; it is also a labour-market policy variable.**

Crime-rate and economic growth

Variable / effect	Coefficient / multiplier	Newey-West S.E.
Crime-rate	-0.11***	0.034
Dynamic long-run multiplier	-0.133**	0.054

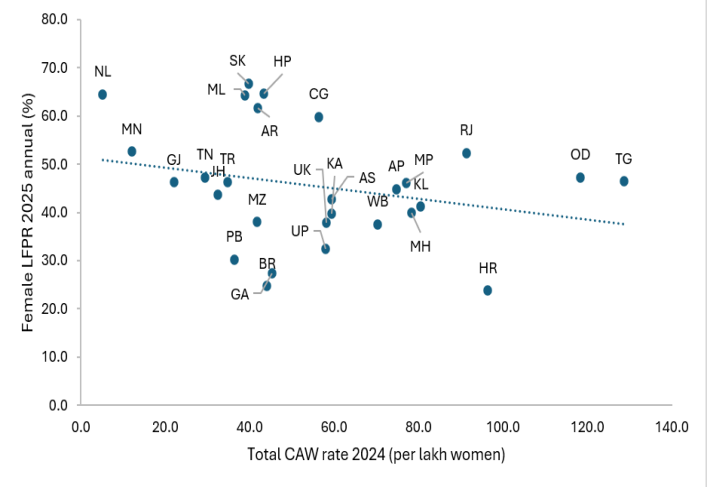
Notes: Dependent variable is annual real GDP growth rate (%). Crime rate is NCRB IPC/BNS crime rate per lakh population. Significance: *** p<0.01, ** p<0.05, * p<0.10.

State wise Crime against women (per lakh women)



Source: NCRB,SBI Research

Female LFPR vis-à-vis crime against women



Source: PLFS, NCRB,SBI Research

UNDER REPORTING OF DOMESTIC VIOLENCE

- Following Gupta (2014), we compare survey-estimated incidence from NFHS with police-recorded reporting from NCRB.
- At the all-India level, NCRB 2024 records 1,20,227 cases and 1,21,166 victims under cruelty by husband or relatives. Using NFHS-5, we estimate approximately 27.88 crore ever-married women in the relevant age band.
- Since 24.0% of ever-married women report physical and/or sexual spousal violence in the past 12 months, the estimated annual burden is about 6.69 crore women. However, NFHS also shows that only a small fraction of survivors seek help, and only a still smaller fraction approach the police.
- **Applying the NFHS help-seeking funnel gives an estimated 5.94 lakh cases. Against this, NCRB records 1.21 lakh victims, implying that only about 20.4% of likely police-contact cases are visible in NCRB. This suggests a possible under reporting of roughly 4.73 lakh cases.**

Under reporting of domestic violence	
(A) Female population, India (Cr)	68.33
(B) Women aged 15–49 (53.4% * A) (Cr)	36.49
(C) Ever-married women aged 15–49 (76.4% * B) (cr)	27.87
(D) NFHS-5 Annual spousal physical/sexual violence burden (24% *C) (cr)	6.69
(E) NFHS-5 Women who sought any help (14.4% *D) (Lakhs)	94.34
(F) Women likely to reach police (6.3% *E) (lakhs)	5.94
NCRB cruelty victims (LAKHS)	1.21
Possible under reporting/ FIR gap	~ 4.7
Notes: Female pop is taken from Report of Technical group on Population Projections(July, 2020) National Commission on Population, MoHFW	
Source: NFHS-5, NCRB,SBI Research	

POSSIBLE UNDER REPORTING OF CRIME : A CURIOUS CASE STUDY OF WEST BENGAL

- West Bengal records a relatively high share in serious offences such as missing children (16.11%), kidnapping and abduction (8.03%), crimes against women (7.78%) and violent crimes (6.90%). However, its share in certain crimes remains unusually low including theft (1.49%), vehicle theft (0.59%), burglary (0.06%) and offences against property (1.96%) despite the state's large population. for example, West Bengal reports only 53 night burglaries out of 15,969 property offences. **In comparison, Jharkhand which has a lower population than West Bengal, report substantially higher shares in many of these categories. This divergence may point towards differences in crime reporting.**

Share of Crime across selected states					
Crime / indicator	**All India**	**West Bengal**	**WB % of India**	**Bihar % of India**	**Jharkhand % of**
Total IPC/BNS crimes	35,44,608	1,57,909	**4.45%**	6.74%	1.33%
Children missing in 2024	98,375	15,849	**16.11%**	7.70%	0.60%
Kidnapping & abduction total	96,079	7,717	**8.03%**	7.60%	0.92%
Crime against women	4,41,534	34,360	**7.78%**	6.20%	1.44%
Violent crimes	7,42,645	51,244	**6.90%**	14.45%	2.02%
Economic offences	2,14,379	12,307	**5.74%**	5.95%	1.45%
Forgery, cheating & fraud	1,92,382	9,823	**5.11%**	6.49%	1.43%
Crime against children	1,87,702	9,044	**4.82%**	7.11%	0.83%
Extortion	12,119	557	**4.60%**	5.15%	3.48%
Dacoity	2,393	50	**2.09%**	9.95%	3.72%
Offences against property	8,14,003	15,969	**1.96%**	7.35%	1.86%
Theft total	6,21,945	9,290	**1.49%**	7.64%	1.80%
Robbery	23,145	213	**0.92%**	8.54%	1.89%
Vehicle theft	2,33,033	1,383	**0.59%**	12.19%	2.55%
Burglary	1,07,532	65	**0.06%**	5.19%	1.93%
Day burglary	18,470	12	**0.06%**	0.41%	0.34%
Night burglary	89,062	53	**0.06%**	6.18%	2.26%

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