THE RELATIONSHIP BETWEEN ECONOMIC GROWTH AND CRIME RATES IN NAMIBIA

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ABSTRACT

The study examined the relationship between economic growth and crime rate in Namibia, using the time series quarterly data over the period 2000Q1 to 2015Q4. The variables used included gross domestic product at current price and crime rate. The study employed time series techniques such as the unit root, cointegration, Granger-causality within the vector autoregression framework. The Johansen cointegration test revealed that there was no cointegration among the variables. The Granger causality showed bidirectional causality running from crime rate to economic growth. The results showed that an increase in crime rate does indeed result in a decline in economic growth.

Keywords: Granger-causality, crime rate, economic growth, Namibia.

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