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Crime: its extent, impact and  
consequences for business  
*IoD Policy Paper*

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Richard Wilson

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# 1 Introduction and summary

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## 1.1 Introduction

Order is a necessary, if not sufficient, condition for a civilised society. As Thomas Hobbes famously wrote, in the absence of “a common power” [a sovereign or the state] to keep order, man’s natural condition is to be in a state of war with his neighbour. In these circumstances, “there is no place for industry; because the fruit thereof is uncertain; and consequently no culture of the earth; no navigation, nor use of commodities that may be imported by sea; no commodious building; no instruments of moving, and removing such things as require much force; no knowledge of the face of the earth; no account of time; no arts; no letters; no society; and which is worst of all, continual fear, and danger of violent death; and the life of man, solitary, poor, nasty, brutish, and short.”<sup>1</sup>

Even with the existence of the state to uphold law and order, crime remains prevalent in society. This is because humanity is by nature inherently imperfect and prone to misdemeanours and because some people are prepared to commit particularly serious criminal acts. The responsibility of the government of the state is to maintain law and order and bear down on criminal activity. Individuals require security from the depredations of others if they are to have a chance of leading a relatively contented and peaceful existence, free to pursue their own private plans unmolested. A civil society with a rich and diverse mixture of associations is more likely to flourish if criminal behaviour is kept to a minimum. Economic regeneration and improvements in education are more likely to succeed in the absence of crime.

Crime is inevitably a problem in the UK, but its extent is unclear. The Government relies on two principal methods for recording crime: the British Crime Survey and police statistics. The 2001/02 British Crime Survey was based on interviews with 33,000 people, whereas police statistics simply include information reported to and recorded by the 43 local police forces. There was a 22% decline in crime measured by the British Crime Survey between 1997 and 2001-02.<sup>2</sup> However, crime continues to blight far too many people in the UK. British Crime Survey interviews that took place in the year ending September 2002 show that the number of crimes against adults living in private households was 12.3 million,

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<sup>1</sup> Cited in M. Rosen and J. Wolff (eds), *Political Thought* (Oxford University Press, 1999), pp. 12-13.

<sup>2</sup> Jon Simmons and colleagues, *Crime in England and Wales 2001/2002* (National Statistics, July 2002, Home Office Statistical Bulletin 07/02), p. 2.

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although this represents a fall of 7% compared to the 2001 British Crime Survey, which covered crime in 2000.<sup>3</sup>

Trends in police recorded crime are more disconcerting. There were 5.8 million crimes recorded by the police in the 12 months to September 2002, an increase of 9% over the previous 12 months (however, because of changes in police recording practice, the increase is estimated to be 2%).<sup>4</sup> In the 12 months to September 2002, instances of robbery increased by 13% in comparison to a year earlier, while domestic burglary was up by 5%, cases of other burglary rose by 6% and drug offences surged by 12%.<sup>5</sup> Moreover, there was a shocking 35% increase in the use of firearms, excluding air weapons, in 2001/2 compared to 2000/01.<sup>6</sup> Homicides – murder, manslaughter and infanticide – rose by 1% to reach 858 in the year to the end of last April.<sup>7</sup>

Other research suggests that crime is rampant. *The Sunday Times* reported on January 19<sup>th</sup> 2003, that mugging was now twice as likely in England as in America. Additionally, research based on a sample of more than 17,000 people commissioned by *The Sunday Times* and conducted by Experian revealed that over 36% had been a victim of crime in the last year.<sup>8</sup>

Although the Government claims that the chances of being a victim of crime are low and are no higher today than they were in 1981,<sup>9</sup> this is not the impression of the general public. According to Experian's research, almost 54% of people feel less safe than they did five years ago. Similarly, the British Crime Survey reports that 35% of adults believe that crime has increased "a lot" and an additional 34% believe that it has increased "a little" over the previous two years.<sup>10</sup>

Crime against business is only one aspect of a much greater problem, but its effect can be to cause suffering to employers and employees and to add to business's costs. However, crimes committed against businesses are an issue not simply for the firms concerned, but also for the wider public. Businesses that suffer from crime may incur costs which they are forced to pass onto the public in the form of higher prices or a deterioration in the quality of services that they provide. In extreme circumstances, the cost of crime may drive a firm out of business or at least oblige it to relocate to a more secure area. In situations of this kind, local people suffer from lost employment opportunities and a reduction in business services. Moreover, if criminality in a given area deters entrepreneurs from setting up enterprises, the Government and society as a whole may lose out because economic activity could be lower than it otherwise would be (assuming it is not displaced elsewhere).

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<sup>3</sup> *Crime in England and Wales: Quarterly Update, 12 months to September 2002* (National Statistics, January 2003), p. 1.

<sup>4</sup> *Ibid*, p. 1.

<sup>5</sup> *Ibid*, p. 3.

<sup>6</sup> "First Quarterly Statistics Update Shows Crime Rate Remains Stable as Fear of Crime Drops", Home Office, 9<sup>th</sup> January 2003, press release.

<sup>7</sup> *Ibid*.

<sup>8</sup> *The Sunday Times*, February 16<sup>th</sup> 2003. Experian's survey covered the entire UK, whereas the British Crime Survey only covers England and Wales.

<sup>9</sup> "First Quarterly Statistics Update Shows Crime Rate Remains Stable as Fear of Crime Drops".

<sup>10</sup> *Crime in England and Wales: Quarterly Update, 12 months to September 2002*, p. 9.

The issue of crime is, therefore, naturally a matter of concern to the Institute of Directors (IoD). In December 2002, the Policy Unit at the IoD invited members to reply to a questionnaire on the subject of crime against business. 675 members replied to the questionnaire and the results are presented in this research paper.

## 1.2 The profile of respondents to our survey

The profile of the 675 IoD members who took part in our survey is shown in Tables 1, 2 and 3.

| Table 1: how many people does your organisation employ? <sup>11</sup> |           |
|---|-----------|
| 0-9   | 26% (175) |
| 10-49   | 35% (234) |
| 50-249  | 26% (176) |
| 250 or over   | 12% (82)  |
| No reply  | 1% (8)    |

| Table 2: what category of industry is your organisation engaged in? (Respondents could give more than one answer.) <sup>12</sup> |           |
|--|-----------|
| Agriculture/forestry/fishing   | 3% (18)   |
| Energy/water   | 3% (19)   |
| Manufacturing  | 20% (136) |
| Construction/mining/quarrying  | 8% (56)   |
| Distribution/hotel/restaurant  | 9% (63)   |
| Transport/communication  | 7% (49)   |
| Business services/financial services   | 27% (182) |
| Public administration/education/health/defence/social work   | 10% (67)  |
| Other services   | 22% (145) |
| No reply   | 1% (6)    |

<sup>11</sup> There were 667 responses to this question and eight "no replies". In this research paper, percentages may not total 100 due to rounding.

<sup>12</sup> There were 669 responses to this question and six "no replies".

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|                               |           |
|-------------------------------|-----------|
| North East                    | 8% (51)   |
| North West                    | 12% (84)  |
| Yorkshire and the Humber      | 9% (63)   |
| East Midlands                 | 9% (63)   |
| West Midlands                 | 13% (88)  |
| Eastern                       | 9% (58)   |
| London                        | 24% (162) |
| South East (excluding London) | 35% (236) |
| South West                    | 15% (102) |
| Wales                         | 6% (37)   |
| Scotland                      | 7% (47)   |
| Northern Ireland              | 2% (14)   |
| No reply                      | 1% (6)    |

## 1.3 Executive summary

### *Crime against businesses*

66% (442) of respondents reported that their business had been affected by crime over the last year.

### *Types of criminal activity inflicted on businesses*

Of those directors who stated that their business had been affected by crime, 51% (225) had been burgled, 46% (203) had had vehicles damaged, 39% (174) had had possessions stolen by criminals from outside the firm and 33% (144) had suffered from vandalism.

### *Impact of crime on business*

42% (187) of respondents whose businesses had been affected by crime had faced higher insurance costs as a result. 41% (183) had been obliged to make alterations to their building's layout in order to improve security and 23% (100) reported that the effect of crime upon their business had been to disrupt trading in some way.

### *Cost of criminal activity*

On average, the cost of criminal activity to those respondents whose businesses had been affected by crime was £149,000. However, the most commonly cited figure by directors

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<sup>13</sup> There were 669 responses to this question and six "no replies".

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whose businesses had been affected by crime was £2,000. For 27% (119) of respondents affected by crime, insurance covered the cost of criminal activity against their firms.

### ***Businesses' confidence in the police***

81% (359) of respondents whose businesses had been affected by crime over the last year reported any incidents to the police, 14% (62) did not.

### ***Reasons for not reporting crime to the police***

Of the 62 directors whose businesses had suffered from crime but who did not report it to the police, 57% (35) did so because they lacked faith in the police's response. 53% (33) did not report the crime to the police because they had no confidence that the criminal would be charged.

### ***Crime against individuals***

31% (207) of respondents had either personally been a victim of crime, or had a family member who had personally suffered from crime.

### ***Types of crime inflicted against individuals***

44% (92) of those respondents who had either personally been a victim of crime or who had a family member who had been a victim of crime said that their vehicles had been damaged by criminals and 37% (77) had been burgled.

### ***Individuals' confidence in the police***

86% (578) of respondents were not confident that if they were to be the victim of crime that that the reprobate would be caught.

### ***Measures to reduce crime***

88% (592) of respondents wanted a significant increase in police numbers and a greater police presence on the streets. 68% (460) of IoD members believed that there should be tougher sentencing by the courts when dealing with criminals. 46% (307) of those surveyed supported the introduction of Police Community Support Officers. 43% (292) of respondents supported the re-introduction of capital punishment for particularly heinous crimes.

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## 2 Victims of crime - businesses

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### 2.1 Crime against businesses

66% (442) of respondents to our survey stated that their business had been affected by crime over the previous year, compared to 33% (223) that had not (see Table 4).

|            |           |
|------------|-----------|
| Yes        | 66% (442) |
| No         | 33% (223) |
| Don't know | 1% (6)    |
| No Reply   | 1% (4)    |

### 2.2 Type of criminal activity inflicted on businesses

The most common form of crime perpetrated against members' businesses in our survey was burglary. 51% (225) of members who had experienced crime over the previous year had been victims of burglary. 46% (203) had vehicles damaged by criminals. 39% (174) said that thieves from outside the firm had stolen property from their business and 33% (144) stated that their business's property had been vandalised. Sadly, 18% (79) reported that members of their own staff had stolen from them. 2% (7) of members had even been forced to pay protection money (see Table 5).<sup>15</sup> Although this is a tiny fraction of the IoD members who participated in our survey, it is still surprising that any businesses operating in the UK in the 21<sup>st</sup> Century feel obliged to pay protection money. The media convey the impression that this kind of activity only takes place in southern Italy and Sicily.<sup>16</sup>

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<sup>14</sup> There were 671 responses to this question and four "no replies".

<sup>15</sup> The seven IoD members who had paid protection money in the previous year had operations in different parts of the country and at least one of them had businesses in more than one part of the UK. One operated in the North East, two in the North West, two in Yorkshire and the Humber, one in the West Midlands, two in London, one in the South West and one in Scotland. In short, our survey does not reveal a particular hot spot of organised crime.

<sup>16</sup> *The Sunday Times*, February 23<sup>rd</sup> 2003.

| Table 5: over the last year, has your business suffered from any of the following crimes? <sup>17</sup><br>(Respondents could give more than one answer.) |           |
|---|-----------|
| Burglary  | 51% (225) |
| Damage to vehicle   | 46% (203) |
| Theft by outsiders  | 39% (174) |
| Vandalism   | 33% (144) |
| Theft of vehicle  | 18% (80)  |
| Theft by member of staff  | 18% (79)  |
| Graffiti  | 17% (75)  |
| Fraud   | 13% (58)  |
| Personal injury/violence  | 10% (46)  |
| Internet crime  | 7% (31)   |
| Drunk and disorderly behaviour by customers   | 5% (21)   |
| Arson   | 4% (17)   |
| Forced to pay protection money  | 2% (7)    |
| Other   | 8% (36)   |
| No reply  | 1% (5)    |

## 2.3 Impact of crime on businesses

Typically, the effect of crime on IoD members' businesses was to add to their operating costs. 42% (187) reported that the impact of crime on their operations was an increase in their insurance costs. 41% (183) expended resources on altering the layout of their premises in order to improve security. 23% (100) said that the effect of criminal activity had been to disrupt their business's trading. For example, some noted that they had been unable to meet deadlines or fulfil orders because of the disruption to their business's operations caused by criminal activity. Others reported that management time was wasted in dealing with the consequences of crime. Still more respondents said that the theft or wanton destruction of their raw materials, equipment, or vehicles had inhibited production. 24% (107) of directors whose businesses had suffered from criminal activity over the last year reported that it had not had any effect on their business in terms of higher insurance premiums or alteration to their premises, for example. These directors' businesses may have suffered from fairly minor instances of criminal behaviour, such as vandalism or graffiti, the effect of which may have been irritating, but not particularly expensive. However, for other directors the affliction of crime was anything but a minor irritation. 20% (90) reported that staff morale had plummeted, 6% (26) said that they had lost customers and 5% (24) had experienced problems in recruiting because of the problem of crime. 2% (10) had even felt obliged to move their business's location (see Table 6).

<sup>17</sup> There were 437 responses to this question and five "no replies".

| Table 6: over the last year, what effect has crime had on your business? (Respondents could give more than one answer.) <sup>18</sup> |           |
|---|-----------|
| Higher insurance costs  | 42% (187) |
| Alteration to building's layout to enhance security   | 41% (183) |
| No effect on business   | 24% (107) |
| Disruption to trading   | 23% (100) |
| Poor staff morale   | 20% (90)  |
| Damage to organisation's reputation   | 11% (47)  |
| Problems in obtaining insurance   | 10% (45)  |
| Loss of customers   | 6% (26)   |
| Postponement/cancellation of investment   | 6% (26)   |
| Problems in recruiting  | 5% (24)   |
| Moved business's location   | 2% (10)   |
| Other   | 10% (44)  |
| No reply  | 3% (13)   |

## 2.4 Cost of criminal activity

It is impossible to say with confidence what the cost of criminal activity on businesses in the UK amounts to. This is partly because crimes against business are not always recorded separately in statistics compiled by the police.<sup>19</sup> Additionally, not all incidents of crime against business are even reported to the police (see Section 3, below). The British Chambers of Commerce estimates that the cost of crime against business to the UK economy amounts to £19 billion per annum, roughly £5,000 for each business.<sup>20</sup>

362 IoD members' businesses that had been affected by crime over the last year gave an estimate of how much it had cost them. The average (mean) cost of crime for these members amounted to £149,000. However, it would be a mistake to place too much weight on this finding because the average figure was inflated by the fact that some members had suffered from massive financial losses as a consequence of business crime. The cost of crime for most IoD members' businesses was significantly lower than the average cost; the most commonly cited figure was £2,000 (see Table 7). Significantly, only 27% (119) of members whose businesses suffered from crime did not incur any expenses immediately because their insurance covered the cost (see Table 8). Almost three-quarters of respondents, therefore, were not sheltered from the cost of crime through insurance. In fact, even those businesses that are insured against crime cannot ultimately escape its costs because insurance premiums may rise. It may even become difficult to obtain insurance cover, as 45 members in our survey found (see Table 6).

Our survey, then, showed that 66% (442) of members suffered from crime and that 362 were in a position to give an estimate of its cost to their businesses. The most common cost was £2,000. If we take this to be a representative picture of the IoD's 55,000 membership as a

<sup>18</sup> There were 429 responses to this question and 13 "no replies".

<sup>19</sup> *Securing Enterprise A Framework for Tackling Business Crime* (British Chambers of Commerce, 2001), pp. 8-9.

<sup>20</sup> *Ibid*, p. 6.

whole, it is possible that 36,300 IoD members might have suffered from crime in the previous twelve months, at a total cost of £72.6 million.<sup>21</sup> Similarly, if we take this estimate of the cost of crime for IoD members to be representative of the 3.7 million UK business population as a whole, it is conceivable that 2.4 million firms might have suffered from crime, at a total cost of £4.9 billion.<sup>22</sup> Clearly, these are illustrative figures and only give an indication of the potential cost of crime to both the IoD membership and UK businesses at large. Further research needs to be carried out in this area.

The common effect of criminal activity, therefore, is to devour a business's scarce financial resources. Instead of investing in capital or labour, precious resources are frittered away on rectifying criminal damage, crime prevention measures and higher insurance costs (see Table 6). In the extreme, the damaging effects of crime may imperil a business's viability. However, ultimately, it is relatively law-abiding individuals who suffer from crime against businesses. Some of the costs of the crimes incurred by businesses will be passed onto consumers. If businesses are forced to relocate from a particular area because of the prevalence of crime, then local customers are deprived of the businesses' services and potential employees lose the prospect of work.

| Table 7: over the last year, approximately how much did the criminal activity that affected your business cost you? <sup>23</sup> |          |
|---|----------|
| Average (mean)  | £149,000 |
| Most commonly cited number (mode)   | £2,000   |
| Median  | £5,000   |

| Table 8: if the criminal activity did not cost you anything because you were insured, please indicate. <sup>24</sup> |           |
|--|-----------|
| Insurance covered the cost   | 27% (119) |
| No reply   | 73% (323) |

<sup>21</sup>  $(0.66 \times 55,000) \times £2,000 = £72,600,000$ .

<sup>22</sup>  $(0.66 \times 3,700,000) \times £2,000 = £4,884,000,000$ .

<sup>23</sup> There were 362 responses to this question and 80 "no replies".

<sup>24</sup> There were 119 responses to this question and 323 "no replies".

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## 3 Businesses' confidence in police

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### 3.1 Reporting crime to the police

Other things being equal, individuals are more likely to report incidents of crime to the police if they believe that they will take the issue seriously and if they think that it will achieve tangible results – preferably the arrest, conviction and punishment of the criminal. From the police's perspective, therefore, it is encouraging that 81% (359) of members whose businesses had been affected by crime in the previous year felt that it was worth reporting to the police.<sup>25</sup> Only 14% (62) chose not to report the crime that had occurred against their business to the police (see Table 9).

|            |           |
|------------|-----------|
| Yes        | 81% (359) |
| No         | 14% (62)  |
| Don't know | 1% (3)    |
| No reply   | 4% (18)   |

### 3.2 Reasons for not reporting crime to the police

57% (35) of those members who did not report the fact that their business had suffered from crime took this course of action because they lacked faith in the police's response. 53% (33) of directors likewise failed to contact the police because they did not believe that the criminal would be charged. 36% (22) of members did not report the crime to the police because they thought that it was too trivial. Relatively few respondents who had suffered from criminal activity against their business but who chose not to report it to the police did so because they lacked the time or because they feared that their insurance costs would increase (see Table 10).

All crimes should be reported to the police and the police should take all reported crimes seriously. Even if an employer or an individual regards the criminal action that he/she has suffered to be trivial, the police should still be informed. Of course the police have to

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<sup>25</sup> Individuals and businesses might also be motivated to report crimes in order to obtain a crime number necessary for an insurance claim.

<sup>26</sup> There were 338 responses to this question and four "no replies".

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prioritise their responses to different crimes because their resources are limited. Nevertheless, the police should endeavour to respond to any crimes that they are told about.

|  |          |
|--|----------|
| Lack of faith in the police's response           | 57% (35) |
| Lack of faith that the criminal would be charged | 53% (33) |
| Perception that the crime was too trivial        | 36% (22) |
| Lack of time                                     | 16% (10) |
| Insurance costs                                  | 7% (4)   |
| Fear of reprisal                                 | 5% (3)   |
| Other  | 24% (15) |
| No reply   | 2% (1)   |

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<sup>27</sup> There were 61 responses to this question and one "no reply".

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## 4 Victims of crime - individuals

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### 4.1 Crime against individuals

According to the British Crime Survey, in the 12 months to September 2002, 26.7% of adults living in private households had been the victim of one or more crimes.<sup>28</sup> Our own survey showed that 31% (207) of IoD members had either personally been the victim of crime or had a family member who had been a victim of crime (see Table 11).

|            |           |
|------------|-----------|
| Yes        | 31% (207) |
| No         | 66% (448) |
| Don't know | 1% (9)    |
| No reply   | 2% (11)   |

### 4.2 Types of criminal activity inflicted on individuals

44% (92) of the IoD members who had personally been the victim of crime or who had a family member who had suffered from crime reported that miscreants had damaged their vehicles, 37% (77) had suffered from burglary and 12% (25) had been pick pocketed. Alarming, 11% (23) of members said that either themselves or a family member had suffered a personal injury or violence (see Table 12).

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<sup>28</sup> *Crime in England and Wales: Quarterly Update, 12 months to September 2002*, p. 2.

<sup>29</sup> There were 664 responses to this question and 11 "no replies".

| Table 12: if “yes” to the previous question, please specify the type of crime that you suffered from. <sup>30</sup> (Respondents could give more than one answer.) |          |
|--|----------|
| Damage to vehicle  | 44% (92) |
| Burglary   | 37% (77) |
| Pick pocketed  | 12% (25) |
| Personal injury/violence   | 11% (23) |
| Drunk and disorderly behaviour by local residents  | 10% (20) |
| Fraud  | 10% (20) |
| Theft of vehicle   | 8% (17)  |
| Vandalism  | 8% (16)  |
| Graffiti   | 2% (5)   |
| Internet crime   | 1% (3)   |
| Arson  | 0% (1)   |
| Other  | 9% (19)  |
| No reply   | 0% (1)   |

### 4.3 Individuals’ confidence in the police

Respondents to our survey had virtually no confidence that the police would catch the criminal if they were personally to be the victim of crime. 86% (578) of IoD members took this gloomy, but probably realistic, view. Just 4% (26) took the rather Panglossian view that any criminal perpetrating a crime against them would be caught (see Table 13).

| Table 13: do you have confidence that if you were to be the victim of crime, the criminal would be caught? <sup>31</sup> |           |
|--|-----------|
| No   | 86% (578) |
| Yes  | 4% (26)   |
| Don’t know   | 7% (48)   |
| No reply   | 3% (23)   |

<sup>30</sup> There were 206 responses to this question and one "no reply".

<sup>31</sup> There were 652 responses to this question and 23 "no replies".

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## 5 Measures to reduce crime

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There is no easy solution to the problem of crime, which as indicated earlier is partly a consequence of the human condition. Humanity is by its nature flawed and some individuals are prepared to commit criminal acts. It is the responsibility of the Government and the State to protect the rest of the population from their depredations and malfeasant acts.

Although crime is a permanent feature of society, there are measures that the Government can take to uphold law and order and to reduce crime. 88% (592) of the IoD members who participated in our survey wanted to see a significant increase in police numbers and an increase in the police presence on the street. A visible police presence is reassuring to the generally law abiding population and could help to deter crime (although it might simply result in the displacement of crime). For similar reasons, 46% (307) of members supported the introduction of police community support officers, (civilians with limited powers to deal with anti-social behaviour).<sup>32</sup>

68% of members also wanted to see tougher sentencing by the courts. This finding chimes with the findings of the British Crime Survey, which showed that only 32% of people interviewed believed that the criminal justice system meets the needs of victims.<sup>33</sup> Public confidence in sentencing policy has almost certainly been shaken by some of the pronouncements made by members of the judiciary on this subject. For example, the Lord Chief Justice of England and Wales, Lord Woolf, has recommended that first time burglars should be kept out of prison.<sup>34</sup> Another judge, Simon Goldstein, recently gave an individual with 11 convictions for burglary an 18 months' drug treatment and rehabilitation course, with no custodial sentence, so that he could develop his skills as a poet.<sup>35</sup> At the same time, the imposition of financial penalties on offenders by Crown and magistrate's courts, which account for 70% of all sentences, are only collected in 59% of cases.<sup>36</sup> This can only undermine public confidence in sentencing policy.

Tougher sentencing by the courts and the implementation of those sentences in the case of non-custodial sentences, such as financial penalties, is imperative for two principal reasons.

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<sup>32</sup> For more information on Police Community Support Officers, see [www.mpa.gov.uk/issues/police/pcso.htm](http://www.mpa.gov.uk/issues/police/pcso.htm).

<sup>33</sup> *Crime in England and Wales: Quarterly Update, 12 months to September 2002*, p. 9.

<sup>34</sup> *The Times*, January 7<sup>th</sup> 2003.

<sup>35</sup> *The Telegraph*, January 4<sup>th</sup> 2003.

<sup>36</sup> The House of Commons Committee of Public Accounts, *Collection of Fines and Other Financial Penalties in the Criminal Justice System* Sixty-eighth Report of Session 2001-02 (The Stationery Office, November 2002), p. 5.

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Firstly, respect for the law is dependent upon sentences being firm, fair and being enforced. If sentences are not perceived to be firm and if they are not implemented then there is little deterrence against criminal activity. Secondly, and more importantly, the purpose of sentencing is primarily to punish an individual who has broken the law. In other words, justice demands that individuals who break the law be punished. A failure to do so means that the victims of crime and the generally law abiding population have been denied justice.

In many cases, the gravity of the crimes committed will demand prison sentences, possibly of considerable duration. Now, of course, not every minor infraction of the law should result in a prison sentence and non-custodial sentences should not be dismissed out of hand. However, the public has a right to be protected from criminal behaviour and imprisonment does at least ensure that persistent and dangerous criminals are taken out of circulation and so are no longer in a position to plague the rest of society.

43% (292) of members supported the re-introduction of capital punishment for particularly heinous crimes. This category of crimes might include mass murderers, child murderers and possibly terrorists. Capital punishment can be argued for on the grounds that it acts as a deterrent to crime. However, a stronger case for capital punishment rests on the simple fact that there are some crimes that are so egregious in their nature that a simple custodial sentence seems to be an inadequate response. Capital punishment is a society's expression of abhorrence of certain crimes and a manifestation of its view that they cannot be tolerated. Capital punishment in the UK, of course, was suspended in 1965 and finally abolished in 1969. Nevertheless, there is almost certainly latent support amongst the population for capital punishment in certain circumstances. More generally, the very fact that over two-fifths of the members in our survey supported capital punishment illustrates their deep seated concern about crime in this country.

34% of IoD members believed that there should be more emphasis on the rehabilitation of criminals, which is naturally an important task. However, only 22% (149) of members supported the legalisation of "soft" drugs, such as cannabis and only 12% (84) backed the legalisation of "hard" drugs, like heroin. Individuals who are addicted to hard drugs often engage in criminal behaviour such as burglary and robbery in order to finance their addiction. It could be argued, therefore, that the legalisation of drugs and their free supply to addicted individuals could help to reduce the incidence of crime. However, the legalisation of both soft and hard drugs could simply result in a variety of unfortunate consequences, not least an increase in drug abuse and drug addiction. In any case, legalisation of soft and hard drugs did not receive much support from IoD members in our survey (see Table 14).

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| <b>Table 14: do you support any of the following measures as part of a campaign to reduce crime?<sup>37</sup></b> |                  |
|---|------------------|
| <b>Significant increase in police numbers and police presence on the streets</b>                                  | <b>88% (592)</b> |
| <b>Tougher sentencing by the courts</b>   | <b>68% (460)</b> |
| <b>Introduction of Police Community Support Officers</b>  | <b>46% (307)</b> |
| <b>Capital punishment for particularly heinous crimes</b>   | <b>43% (292)</b> |
| <b>More emphasis on rehabilitation of criminals</b>   | <b>34% (232)</b> |
| <b>Legalisation of so-called soft drugs (e.g. cannabis)</b>   | <b>22% (149)</b> |
| <b>Legalisation of so-called hard drugs (e.g. heroin)</b>   | <b>12% (84)</b>  |

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<sup>37</sup> There were 675 responses to this question.

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## 6 Conclusion

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On the basis of this survey, crime against business is widespread, with 66% (442) of IoD members reporting that their businesses had suffered from crime in the previous 12 months.

In most instances, IoD members who had been on the receiving end of crime over the last year had been victims of property crime. 51% (225) of members who had been affected by crime had been burgled, 46% (203) had vehicles damaged, 39% (174) had possessions stolen from criminals extraneous to the firm and 33% (144) had property vandalised.

The cost of crime for business is real and in some instances significant. The average cost of criminal activity to those members whose businesses had been affected by crime was £149,000, although the most commonly mentioned figure was £2,000. In the first instance, businesses pay the cost of crime because they have to expend resources on replacing stolen goods, enhancing security at the firm and repairing vandalised property. However, ultimately it is the public that bears the cost of crime. This is because businesses will typically pass on the costs of criminal activity to the consumer in terms of higher prices, an inferior quality of service or by closing their enterprise down.

Businesses have a role to play in the battle against lawlessness, criminality and malfeasant behaviour. Employers and managers have a responsibility to keep their premises in a respectable condition in order to discourage petty vandalism and graffiti.<sup>38</sup> Businesses should consider it to be a duty to report all instances of criminal behaviour to the police. Firms that produce new products and services should aim to minimise the potential for crime through designs that are as criminal proof as possible. Managers should secure their premises and property as effectively as they can. Ultimately, though, responsibility for crime is always and everywhere the result of an individual's decision to break the law. Businesses and the public at large consequently look to the Government to deter criminal actions where possible. When this is inevitable, it is the responsibility of the Government to apprehend, prosecute and punish those responsible for criminal activity.

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<sup>38</sup> *Securing Enterprise A Framework for Tackling Business Crime* p. 18.