

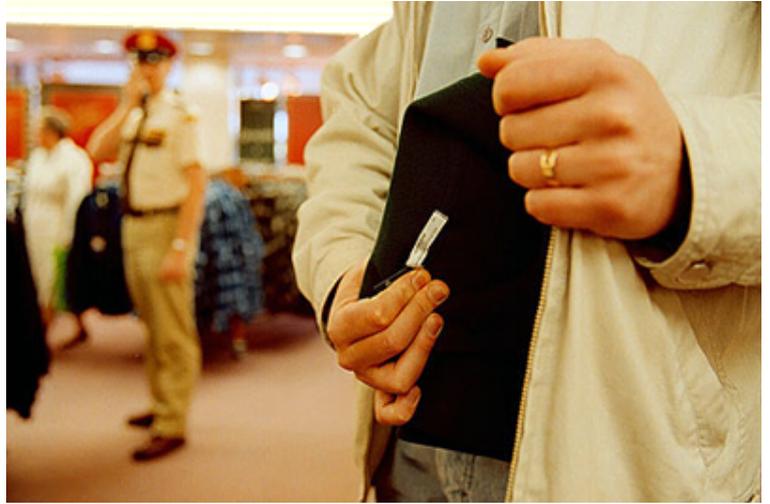
Hard Times and Bad Behavior

Michael J. Panzner

Although scientists or statisticians might disagree, I reckon that if certain trends are now apparent in countries and cultures around the world that were not really in evidence before the financial crisis struck, then it's probably a good bet that the circumstances are somehow related.

More specifically, I (and others) asserted before the unraveling began that challenging economic conditions would lead to an uptick in illegal activity, particularly opportunistic crimes, among formerly law-abiding citizens. While that might seem obvious to some, there has in the past been some debate about the issue among criminologists.

As it happens, a report in *Time* magazine, "[Recession Sparks Global Shoplifting Spree](#)," seems to lend further weight that there is some correlation between economic hard times and broad pickup in bad behavior.



The global recession isn't just making jobs scarce and tightening spending - it's also turning more people into thieves. According to an annual survey released on Tuesday, incidents of shoplifting rose nearly 6% over the past year, representing nearly \$115 billion in losses for businesses. One of the more surprising findings: a growing number of new shoplifters are outwardly reputable, middle-class people who are walking off with French cheeses, quality meats, cosmetics, mobile phones, clothing and other goodies that they feel they need to maintain a quality of life they can no longer afford.

"People already feeling, or merely anticipating, the negative impact of recession have taken to stealing ... at the very time retailers also suffering from the downturn have had to cut back on security staff," says Joshua Bamfield, director of the Britain-based Center for Retail Research, which documented the findings in its annual Global Retail Theft Barometer. "In addition to the usual criminals, you have lots of newcomers to stealing who figure they don't run much risk at getting caught, won't pay much of a price if they are and justify their action on the hard times we're all facing."

The researchers found that shoplifting - or what's euphemistically known as product "shrinkage" - jumped 5.9% in the past year at the more than 1,000 retail chains the group surveyed globally. In previous years, the increase hovered at 1.5% annually. Though the problem was documented across all regions, the steepest increases occurred in North America (8.1%), the Middle East (7.5%) and Europe (4.7%). In terms of total losses, retailers in North America topped the charts at \$46 billion, followed by Europe's \$44 billion and \$17.9 billion in the Asia-Pacific region. In North America and Latin America, store owners and employees were the leading pilferers; in Europe, Asia and the Middle East, it was customers who were swiping the most loot.

Though Bamfield says theft by organized criminals for the purpose of resale remains the biggest segment of shoplifting, there's been a noticeable increase in the number of middle-class people stuffing their pockets - people who are not "stealing necessities to keep themselves and their families alive," he adds. Worse still, more than a few of these individuals regard this kind of stealing in the economic crisis as fully justified, as the researchers discovered through interviews with shoplifters and police.

"Though most thieves rationalize their acts, the current situation has many people feeling the entire system is broken, that politicians are too corrupt or inept to fix it, and that there's nothing wrong with stealing from these big companies and fancy stores that - the thinking goes - are themselves making out like thieves," Bamfield explains. "There's a real perception among many new shoplifters that if you work hard, put money away and play the game, you're asking for someone to come along and rip you off."

Of course, the idea that shoplifting is a victimless crime is easier to believe when the prey involved is a faceless business - or better yet, an international retail chain. In reality, however, shoplifting comes back to bite all consumers in the billfold in the same way that higher plane tickets do when airlines face increasing gas prices. Anytime businesses have to absorb a cost, they pass it along to

their clients in some form or another. Retailers make up the money lost to shoplifting by marking up the prices of their goods. According to the Center for Retail Research, this ended up costing each U.S. household \$436 in the past year and each European household \$250. So much for a victimless crime.

But don't expect this to deter the world's swelling ranks of shoplifters. Even if a return to economic growth and job production weakens the rationalization for stealing, Bamfield says many people will likely continue to shoplift out of habit - and because they've gotten away with it for so long. The only way to effectively combat these thieves, he notes, is for retailers to invest in better security and for authorities to treat shoplifting cases not as "individuals stealing \$50, \$100, \$200 worth of goods," but rather as something more serious - part of a \$115 billion annual heist.

<http://www.silverbearcafe.com/private/11.09/hardtimes.html>