INCOME MANAGEMENT AND CRIME:
RETHINKING EVIDENCE & THEORY

Dr Zoe Staines
Research Fellow
School of Social Science, UQ
E: z.staines@uq.edu.au
Examine claims about income management (IM) and crime by:

- i) unpacking the IM program logic as it pertains to deviance (e.g. alcohol/drug use) and crime, and
- ii) examining existing claims and evaluative evidence regarding IM and crime.

Propose alternative ways of thinking about the relationship between IM and crime, which ‘troubles’ political and policy logics.
Poverty, welfare and crime are now tightly interwoven in public and political discourses.

Thus, welfare reform is often posited as a method of reducing crime…

However, the criminological evidence supporting this link is not conclusive.
CONTEXT OF IM: POVERTY, WELFARE AND CRIME

- Long-standing acknowledgement of a link between poverty, unemployment, welfare and crime, but:
  - some studies have indicated there is little or no direct link (e.g. Sharkey et al. 2016; Weatherburn, Lind and Ku 2001; Braithwaite, Chapman and Kapuscinski 1992),
  - others have pointed out that the nature of the link is unclear and may also be spurious (Sharkey, Besbris and Friedson 2016; Bittle, Snider and Tombs 2018).

- The correlation might be caused by:
  - indirect factors (Cullen et al. 2005; Lam and Harcourt 2003),
  - definitions of crime that target behaviours of the poor and guide criminological scrutiny away from “crimes of the powerful” (Pearce 1976, 158; Shammas 2017),
  - over-policing of poorer populations (e.g. ‘street’ and public crime) versus the non-poor, which is reflected in crime data that help structure and inform our understandings of crime (Lasslett 2010; Pearce 1976; Shammas 2017; Sharkey et al. 2016; Bittle et al. 2018)
  - the “political economy of punishment”, which preferences those with access to capital (Shammas 2017, 4).

These varied imitations mean that the empirical lens remains overwhelmingly skewed towards the crimes of the poor and less powerful, creating the false impression that it is primarily these groups who commit crime (Bittle et al. 2018).
IM AND CRIME: UNPACKING THE POLICY LOGIC

IM seeks to:

- Encourage “socially responsible behaviour” (e.g. Katz and Bates 2014, 5; Fletcher in Hansard 2019, 10),
- “…reduce[e] violence and harm” (e.g. Fletcher in Hansard 2019, 10), and
- secure “children’s welfare” (e.g. Howard and Brough 2007, 2; Department of Social Services 2019).

Alcohol and sometimes also drugs are generally proposed as mediating variables between IM and its supposed ability to control crime. That is, by reducing the amount of welfare spent on alcohol and drugs, various forms of crime can also be reduced…

“The Government is strongly committed to compulsory income management as a tool to reduce alcohol-related violence, protect children, guard against humbugging and promote personal responsibility” (Macklin 2008).

“When a community is drowning in grog, other initiatives become so much harder to implement. Restricting the supply of alcohol has been the most effective measure to date… The welfare debit card has the same objective as a supply restriction but tackles the problem from the demand side: the welfare cash that pays for the grog and funds the destruction. Without the cash, systemic abuse [of alcohol] becomes more difficult… The cashless welfare debit card may be the solution.” (Tudge 2016)
Hypothesised relationship between welfare and ‘socially irresponsible behaviour’, including crime:

<table>
<thead>
<tr>
<th>Policy logic:</th>
<th>Welfare ➔ Alcohol (&amp; drugs) ➔ Socially ‘irresponsible’ behaviour, including crime</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theory of change:</td>
<td><em>Cash welfare entitlements are overwhelmingly spent on alcohol &amp; drugs...</em></td>
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</tbody>
</table>
The evidence concerning welfare and alcohol/drugs is weak; Schmidt and McCarty (2000) argued US welfare reforms were based on “untested assumptions” about welfare and alcohol dependencies.

Most of the international literature has shown welfare populations are not overrepresented in terms of their alcohol consumption (Grant and Dawson 1996; Schmidt and McCarty 2000; Jayakody et al. 2000; Zabkiewicz and Schmidt 2007; Substance Abuse and Mental Health Services Administration 2007).

Findings about drug use are more mixed (e.g. Schmidt and McCarty 2000; Grant and Dawson 1996) but the nature of the link is unclear (e.g. Schmidt et al. 1998; Cheng and McElderry 2007).
IM AND CRIME: UNPACKING THE POLICY LOGIC

- Low-income and welfare-recipient groups are typically not overrepresented in terms of alcohol and drug use in Australia.
- In Australia, national longitudinal studies indicate that:
  - Welfare-recipient houses spend a smaller proportion of weekly income on alcohol than non-welfare recipient houses (1.9% versus 2.8%) (ABS 2017),
  - Lowest-income households spend a smaller proportion of their weekly income on alcohol than middle- and high-income households (1.6% versus 2.4% and 2.4% respectively) (ABS 2017), and
  - “...risky drinking and use of any illicit drug in the last 12 months was similar [amongst those in low socioeconomic areas] to people in the highest socioeconomic area” (AIHW 2017, 102).

- This is not to discount that there are some welfare recipients who are regular users and/or dependent on alcohol/drugs, and demographic and geographic clusters of higher drinkers/users.
- But there is no evidence that IM can help those experiencing dependency (e.g. easy to circumvent, and does not adhere to wide body of research showing addiction is best addressed through voluntary supported responses).
On this basis, it is theoretically unlikely that IM will have an impact on alcohol/drugs because:

- the logic that cash welfare entitlements are overwhelmingly spent on alcohol and drugs is not empirically supported; it is more likely that most welfare recipients do not spend their money in these ways, nor experience dependency;
- even where alcohol or drug dependency is experienced, IM is highly unlikely to be able to reduce dependency on the basis that it can be circumvented and is also unlikely to provide the necessary therapeutic conditions for curbing dependency.
IM AND CRIME: CLAIMS

Claims are mixed... some say crime has increased, others say crime has decreased.

...the CDC has resulted in considerable reductions in drug use, alcohol consumption and gambling as well as reductions in crime and hospital admittances. (Federal member for the Grey Electorate, Rowan Ramsey MP (2019) speaking about the CDC in Ceduna)

In terms of kids in Kununurra, there have been numerous reports of increases in crime, domestic violence and kids committing crimes... So how’s the card working if we’ve got increased reporting of domestic violence and increased numbers of kids involved with crime? (Senator Rachel Siewert in Hansard (2019, 31), speaking about the CDC in Kununurra)

...the baseline report into the Goldfields trial site has confirmed previous findings... including decreases in drug and alcohol issues, and decreases in crime and antisocial behaviour... (Paul Fletcher MP in Hansard (2019, 10), speaking about the CDC in the Goldfields)

Clearly, crime is down. Vehicle thefts are down 28 per cent; burglaries are a similar amount; and property damage is at about 10 per cent. Whilst it is not all attributed to the card, cooperation between the introduction of the card, policing and the city’s own street patrols have made it better... (CEO of City of Kalgoorlie-Boulder in Hansard 2019, 34-35) speaking about the CDC in Kalgoorlie and the Goldfields)
**IM AND CRIME: EVIDENCE**

Evidence is mixed...

<table>
<thead>
<tr>
<th>Locations covered</th>
<th>Source</th>
<th>Primary research methods</th>
<th>Increased crime, decreased crime, no change, or unclear (i.e. both)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NT</td>
<td>Bray (2016)</td>
<td>Mixed</td>
<td>No change</td>
</tr>
<tr>
<td></td>
<td>Bray et al. (2014)</td>
<td>Mixed</td>
<td>Increased</td>
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<tr>
<td></td>
<td>Bray et al. (2012)</td>
<td>Qualitative</td>
<td>Increased</td>
</tr>
<tr>
<td></td>
<td>AIFS (2010)</td>
<td>Qualitative</td>
<td>No change</td>
</tr>
<tr>
<td>South Australia</td>
<td>APY Lands</td>
<td>Katz and Bates (2014)</td>
<td>Quantitative</td>
</tr>
<tr>
<td>Western Australia</td>
<td>Kimberley Region</td>
<td>DSS (2014)</td>
<td>Qualitative</td>
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<td></td>
<td>East Kimberley</td>
<td>CSSA (2017)</td>
<td>Qualitative</td>
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<td>East Kimberley</td>
<td>Oirma Research (2017)</td>
<td>Mixed</td>
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<tr>
<td></td>
<td>East Kimberley</td>
<td>Hunt (2017a, 2017b)</td>
<td>Quantitative</td>
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<tr>
<td>South Australia</td>
<td>Kimberley and Perth</td>
<td>Oirma Research (2010)</td>
<td>Mixed</td>
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<td></td>
<td>South Australia</td>
<td>Oirma Research (2017)</td>
<td>Mixed</td>
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<td></td>
<td>Cape York</td>
<td>Scott et al. (2018)</td>
<td>Mixed</td>
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There is no clear indication amongst these findings as to whether or not IM has had an impact on crime, and/or whether that impact is either positive or negative.
IM AND CRIME: LIMITATIONS

Evidence is also severely limited...

- Locations in which IM operates are influenced by overlapping policies and programmes, which confound evaluative findings (e.g. NTÉR, CYWR),

- Qualitative feedback may be influenced by ‘mantra speak’ (speaking to the policy objectives), and perceptions of crime (rather than actual crime),

- Changes in policing practices have a profound impact on crime data, and confound evaluative findings,

- Use of community-level crime data to identify impact of policy affecting between 0.2% (Logan) and 25.9% (Barkly, NT) – or on average 7.16% -- of the population, is like looking for a needle in a haystack...

- No studies use unit-record level data to examine the crime impacts of IM.

“The main thing that is important to remember about the cashless card is that it’s one program, one initiative as part of many... You can’t attribute the cashless card alone to decreases or increases in crime.” (Senior Sergeant Tarasinksi (Western Goldfields Region) in Stevens and Moussalli 2019)

“The state government increased the number of police on the street in Kalgoorlie. I can tell members now that that is the reason that crime has gone down on the main street... We also know that the council has put rangers on the street to patrol... We have extra police and we have rangers, yet it is the welfare card that has caused everything to go well!” (WA Parliamentarian Hon. Kyle McGinn in Hansard 2018, 1504)
IM AND CRIME: SUMMARY

- Claims and evidence regarding IM and crime are overwhelmingly mixed.
- Even so, it is arguably impossible, based on methods used to date, to establish whether there is any direct link between IM and crime in any jurisdiction in which it operates.
- On this basis, ongoing political claims about IM and crime should be considered theoretical statements only.
- It is also possible that alternative hypotheses could be proposed…
- When individuals subject to IM experience labelling (as potential criminals) and stigma (‘othering’ associated with the everyday experience of IM), it is also possible that IM may cause social withdrawal, which:
  - can inhibit movement away from welfare and into employment, and
  - may be crime-generative.
REFERENCES


Shammas, V. 2017. Bourdieu’s five lessons for criminology. Law Critique, DOI: 10.1007/s10978-017-9218-3


Stevens, R. and Moussalli, I. 2019. Cashless debit card trials are being extended, but are they even working? ABC News, 4 April.

