
The Role of Cost of Crime Estimates in Criminal Justice Policymaking

1. Introduction

The purpose of this section is to review the criteria used by policy makers in practice when appraising and evaluating crime prevention or crime reduction policies. It considers the role of cost of crime estimates as an indicator of benefits and the role played by economic arguments in the processes by which policy makers construct a project appraisal (or 'business case') for a criminal justice project or practice or evaluate the impact of such projects.

The focus is on identifying how policy makers in the EU currently formulate advice in practice and the role, if any, played by criteria or guidelines that can be traced in some way to cost benefit or cost effectiveness analyses or to cost of crime methodology. Policy makers and analysts working in criminal justice agencies in the EU (and also the US) were asked about their awareness of cost of crime methodology and about the use made of techniques such as cost benefit analysis in the policy process.

The study analyses responses to a short structured questionnaire developed to explore (a) how widely the methodology is used and (b) a number of related matters such as what other sorts of research methodology are employed by criminal justice departments. Responses were gathered for eleven countries.

2. Background

From the literature survey conducted for the MMECC project it is known that methodology to estimate the costs of crime has not been widely used. There had been earlier interest in the topic and a small number of academic researchers had been active in looking at some of the issues. But it was really the pioneering work of Cohen et al (1994) in the US, followed by Brand & Price (2000) and subsequently Dubourg et al (2005) at the Home Office that demonstrated the scope for a systematic approach across the board to producing a set of estimates of costs by offence type that could plausibly be used for project appraisal and evaluation purposes.

The technical feasibility of producing cost of crime estimates is clearly a very different matter from ensuring a political will to make systematic use of the estimates for policy analysis purposes. The stimulus in the UK for developing the estimates was

a wish to have tools that could be used for application to ex ante appraisal of criminal justice projects and for producing economic evaluations of pilot projects once they had been in operation for a while. The cost of crime estimates made by Brand & Price (2000) were developed alongside evaluation guidelines to be applied in analysis of the British Crime Reduction Programme: Dhiri & Brand (1999).

There are some suggestions of similar interest at an EU level. The EUCPN (EU Crime Prevention Network) was set up in May 2001 by an EU Council Decision to promote crime prevention activity in Member States across the EU, and to provide a means through which valuable good practice in preventing crime, mainly "traditional" crime, could be shared. There are indications that this Network has been interested, at least in principle, in the costs of crime. Their current work programme mentions developing a common methodology for identifying good practice in crime prevention¹. This mentions a work group on the costs and benefits of crime, and refers to a meeting in 2004 meeting in Finland where Mark Cohen, inter alia, presented material on the cost of crime². The Network's Research & Validation Committee 'good practices' report has sections on cost-benefits although it does not contain much data at present³. However there are plans to undertake a Willingness To Pay study⁴.

In order to explore the extent to which Criminal Justice policy makers currently make use of cost of crime methodology a brief, informal study was conducted as part of MMECC. The purpose of the Survey of Practice was to explore the degree to which the methodology is in use within criminal justice departments in EU countries and more widely.

3. Methodology

A questionnaire was circulated in two phases. At stage 1 it was sent to MMECC participants, who were asked to review practice in their own country. The responses do not represent an official view of current practice within the official agencies

¹ www.eucpn.org/workdocs/Work%20programmeDec06f.pdf

² www.eucpn.org/keydocs/EUCPN%20evaluation%20report%202004.pdf

³ www.eucpn.org/keydocs/Good%20Practice%20Check%20Friedrich%2010%202007.pdf

⁴ See Item 15 in the list of planned projects:
www.eucpn.org/projdocs/Work%20Programme-willingness-to-pay.doc.

represented in the consortium (namely UK, US, Sweden and the Netherlands). They do however provide an informal picture of the degree of interest in cost benefit methodology within the justice sector. Responses were collected for **seven** countries at stage 1. Six of these countries are represented amongst project participants⁵, while the seventh response collected refers to Poland.

In order to extend the range of countries covered a second round of responses was sought from a network of analysts working for national police boards in EU member states. This has elicited to date responses from a further fourteen countries. This improves coverage significantly over stage 1. But the failure of literature searches conducted for the project to find much reference to cost of crime publications for EU countries outside those represented in the survey inclines us to the view that it is unlikely that we are missing much application of the methodology.

The questionnaire was designed to be quick and easy to complete. Its focus is on the methods used rather than on the development and application of cost of crime estimates per se.

The responses do, however, suggest a fairly clear pattern, with some countries making some use of cost of crime methodology and other countries making very little or no use of it. The expectation was that in some countries there would be little if any use being made of economics-based methodology in the evaluation of criminal justice policy. The findings from the survey are outlined in Annex 1 below.

Further development

Establishing that many countries are not making much use of cost of crime methodology to inform criminal justice policy-making does not, by itself, convey a very positive message. It very much begs the question: what benefits might there be from greater application of the findings from cost of crime investigations? In order to explore this issue in further detail and to expand on the practice review two further papers were commissioned at this stage of the project.

⁵ The four listed earlier in the paragraph plus Spain and Portugal.

Annex 1 Survey of Practice

Influence of economic arguments on policy decisions (q. 1)

Respondents generally took the position that economic arguments about the costs and benefits of government projects and programmes have **some** influence on policy decisions in the criminal justice sphere. Only in Cyprus was it thought that the costs and benefits were very important. In four further countries (Hungary, Lithuania, Latvia and Slovenia) the costs and benefits were judged quite influential. Respondents in seven countries thought they are of some importance. A further seven saw them as not very important. Only the respondent for Spain views them as pretty much irrelevant.

Appraisal requirements for criminal justice projects (q. 2)

In seven countries there are investment appraisal requirements, although in the cases of both the UK and US respondents indicated that the requirement was not enforced completely across the sector. Respondents for twelve countries believed there was no appraisal requirement.

Role of economic methodology in research on the criminal justice system (q. 3)

This broader question about the use of economic methodology in criminal justice **research** produced a narrow range of responses, but all were basically negative. In fourteen countries it is reported to be not widely used. In the remaining six countries, however, it is said to be hardly used at all either by government analysts or others.

Use of other kinds of research methodology (q. 4)

The fourth question asked about research methodology other than economics used for policy purposes. As might be deduced from the criminology literature, academic research on criminal justice is dominated by those with a background in social sciences other than economics. Disciplines such as sociology and psychology tend to be more important influences particularly for proponents of qualitative research methodology, although there are of course other disciplines represented in the literature (including statistics, operational research and anthropology).

In countries such as the US and the UK the output of non-economics-based research on the CJS is high. The feeling seemed to be that, when these alternatives were probed, the studies are not particularly influential. Policy makers may take account of the findings from research, and will make use of them when expedient, but rather rarely allow research evidence to dictate policy development very directly.

Prevalence of cost of crime methodology (q. 5)

The final question asked whether cost of crime methodology had been used to make estimates in the respondent's country. The responses were evenly divided between ten respondents for countries where estimates had been made and a further ten where they had not. In some cases, however the response was positive but the methodology used was reported to be not sophisticated.

This is consistent with the conjecture that the methodology (at least in its more sophisticated variants) has been used in comparatively few countries. This suggests that there is wide scope within the EU for greater use of cost of crime methodology.

Appendix: Raw Responses to Practice Review Questionnaire

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1. To what degree do you think economic arguments about the costs and benefits of government projects and programmes in the criminal justice sphere in your country influence policy decisions?
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	very important	quite influential	of some importance	not very important	pretty much irrelevant
Belgium			X		
Cyprus	X				
Czech Republic			X		
Denmark				X	
England & Wales			X		
Estonia			X		
Finland				X	
Germany			X		
Hungary		X			
Latvia		X			
Lithuania		X			
Luxembourg				X	
Netherlands				X	
Norway			X		
Poland				X	
Portugal				X	
Slovakia					
Slovenia		X			
Spain					X
Sweden				X	
US			X		

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2. Is there a requirement to prepare an appraisal of the costs and returns on investment projects in the criminal justice sphere in your country?
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	YES	NO	Don't know
Belgium		X	
Cyprus		X	
Czech Republic		X	
Denmark		X	
England & Wales	X		
Estonia		X	
Finland			X
Germany		X	
Hungary	X		
Latvia	X		
Lithuania	X		
Luxembourg		X	
Netherlands	X		
Norway	<i>No</i>	<i>answer</i>	<i>given</i>
Poland		X	
Portugal		X	
Slovakia		X	
Slovenia		X	
Spain	X		
Sweden		X	
US	X		

3. Does economic methodology play a prominent part in research on the criminal justice system in your country?

	Yes: used by researchers in government and by others	Yes: by researchers in government only	Yes: by researchers outside government only	Not very widely used either in or out of government	Hardly used at all either in or out of government
Belgium				X	
Cyprus				X	
Czech Republic				X	
Denmark				X	
England & Wales				X	
Estonia					X
Finland				X	
Germany				X	
Hungary				X	
Latvia					X
Lithuania				X	
Luxembourg					X
Netherlands					X
Norway				X	
Poland					X
Portugal				X	
Slovakia				X	
Slovenia				X	
Spain					X
Sweden					X
US				X	

4. Are other kinds of social research methodology (e.g. criminology, survey methods, qualitative analysis) used for policy purposes?

	YES	NO
Belgium	X	
Cyprus	X	
Czech Republic		X
Denmark	X	
England & Wales	X	
Estonia	X	
Finland	X	
Germany	X	
Hungary	X	
Latvia		X
Lithuania	X	
Luxembourg	X	
Netherlands	X	
Norway	X	
Poland		X
Portugal	X	
Slovakia		X
Slovenia	X	
Spain		X
Sweden	X	
US	X	

If yes, please specify what kind of research methodology and how influential you think it is:

Country: Belgium:

Types of (non-economic) methodology used	A few years ago we started with large scale surveys to monitor the influence of police work on the security.
How influential?	For local police the influence is rather great as the surveys indicate which police matters are important to the population. For the policy of the federal police the influence is less.

Country: Cyprus:

Types of (non-economic) methodology used	Survey Methods – Qualitative Analysis
How influential?	Enough

Country: Czech Republic: Does not apply

Country: Denmark:

Types of (non-economic) methodology used	Criminological research (all types of methods)
How influential?	

Country: England & Wales:

Types of (non-economic) methodology used	Substantial application of social research methodology. Many evaluation studies make use of the findings. Also a lot of descriptive work generated from surveys and secondary data.
How influential?	Findings used selectively

Country: Estonia:

Types of (non-economic) methodology used	Monthly police conducts survey on trust of the police among people
How influential?	Not very

Country: Finland:

Types of (non-economic) methodology used	All kinds of social and criminological research and other information are used for policy purposes.
How influential?	It is difficult to say how influential. In some degree, anyhow.

Country: Germany:

Types of (non-economic) methodology used	different quantitative and qualitative methods including interviews, questionnaires, file analysis
How influential?	A general answer is not possible

Country: Hungary:

Types of (non-economic) methodology used	Survey methods, qualitative analysis, personal interviews both. Especially in researches led by the National Criminology Institute (OKRI) http://en.okri.hu .
How influential?	The main research institute in Hungary is OKRI belonging to the public prosecutor's office. Researches are unique, generally recognized and influential.

Country: Lithuania:

Types of (non-economic) methodology used	Statistical, comparative analysis Sociological surveys Financial and management audits
How influential?	Useful while taking concrete decisions, solving concrete problems mentioned in surveys and audits (see box above)

Country: Luxembourg:

Types of (non-economic) methodology used	Telephone surveying.
How influential?	Of some importance.

Country: Netherlands:

Types of (non-economic) methodology used	Forecasting models, simulation models, criminology, sociology, econometrics, survey methods, qualitative analysis, data mining, regression analysis, evaluation techniques
How influential?	Depends on the issue

Country: Norway:

Types of (non-economic) methodology used	Legal analysis, criminology, survey methods, qualitative analysis
How influential?	Quite influential, and more than economic analysis.

Country: Poland: Does not apply**Country: Portugal:**

Types of (non-economic) methodology used	Some surveys have been developed for specific issues; also general surveys provide information about perceptions about police, etc.
How influential?	In policy making, zero. Sometimes it makes the media but without any serious impact (which is not a bad thing given the typical problems with surveys).

Country: Slovakia: Does not apply

Country: Slovenia:

Types of (non-economic) methodology used	In the term of methods or techniques: survey methods, qualitative and quantitative analysis, interviews, case studies, comparisons, evaluation etc. But those are also applicable in economics.
How influential?	Quite influential

Country: Spain: Does not apply

Country: Sweden:

Types of (non-economic) methodology used	Criminology reports from the National Council of Crime Prevention (Brå). A national crime and safety survey.
How influential?	Not very widely used either in or out of government.

Country: US

Types of (non-economic) methodology used	Evaluation – Experiments and quasi-experiments Multivariate analyses
How influential?	Competitive against purely value-driven reasoning

5. Are you aware of any cost of crime estimates that have been made for your country?

	YES	NO
Belgium	X	
Cyprus		X
Czech Republi		X
Denmark	X	
England & Wales	X	
Estonia		X
Finland	X	
Germany	X	
Hungary		X
Latvia		X
Lithuania		X
Luxembourg		X
Netherlands	X	
Norway	X	
Poland		X
Portugal		X
Slovakia		X
Slovenia		X
Spain	X	
Sweden	X	
US	X	

If yes, please specify (in very outline terms) how they were made, whether they are widely used and what they are used for

Country: Portugal, Poland, Slovenia, Slovakia, Estonia, Luxembourg, Hungary, Lithuania, Czech Republic, Latvia, Cyprus, Denmark does not apply

Country: Spain

Method used (crude guess, rough estimate, detailed analysis, Cohen et al/Brand & Price methodology etc.)	Crude guess
Please provide a bibliographic or web source	Serrano Gómez, A. (1986): El costo del delito y sus víctimas en España. Madrid: UNED.
How widely used are the estimates?	Never
Use to which the estimates are put (e.g. to value crime reduction, prioritise areas of spending or for descriptive purposes, advocacy for interest groups)	-

Country: England & Wales

Method used (crude guess, rough estimate, detailed analysis, Brand & Price methodology etc.)	Brand & Price methodology developed in UK. Revised methodology used by Dubourg et al (2005)
Please provide a bibliographic or web source	For a summary treatment see: http://www.homeoffice.gov.uk/rds/economic_faqs.html
How widely used are the estimates?	Estimates are quite widely used but often not in a rather crude and insensitive way.
Use to which the estimates are put (e.g. to value crime reduction, prioritise areas of spending or for descriptive purposes, advocacy for interest groups)	Used selectively by advocacy groups seeking to encourage spending on particular projects. Used for crime reduction valuation purposes in economic evaluations of interventions.

Country: Sweden

Method used (crude guess, rough estimate, detailed analysis, Brand & Price methodology etc.)	Detailed analysis. Brand & Price style.
Please provide a bibliographic or web source	“Costs of Violence Against Women”, www.socialstyrelsen.se/publicerat/2006/9376/2006-131-34.htm (extended summary in English)
How widely used are the estimates?	Report commented (but not used in a wider sense) by Minister of Health in a national strategy formulated against men’s violence against women. This is the only time any results within the costs of crime research field have been commented or included in a decision by the government.
Use to which the estimates are put (e.g. to value crime reduction, prioritise areas of spending or for descriptive purposes, advocacy for interest groups)	As an argument in the decision made by the Swedish government, where it argues that men’s violence against women implies high costs for the society.

Country: **Netherlands**

Method used (crude guess, rough estimate, detailed analysis, Brand & Price methodology etc.)	Detailed analysis on the CJS costs, rough estimates on all other costs.
Please provide a bibliographic or web source	Moolenaar D.E.G. (2007), "Uitgaven aan criminaliteit" in: W. van der Heide & A.Th.J. Eggen (eds), "Criminaliteit en rechtshandhaving 2006", The Hague, WODC, Onderzoek en beleid 255. http://www.wodc.nl/images/ob255_volledige_tekst_tcm44-88814.pdf
How widely used are the estimates?	Widely used by researchers and press but less widely used by policy makers
Use to which the estimates are put (e.g. to value crime reduction, prioritise areas of spending or for descriptive purposes, advocacy for interest groups)	Descriptive purposes, advocacy for interest groups

Country: **Belgium**

Method used (crude guess, rough estimate, detailed analysis, Brand & Price methodology etc.)	Rough estimate and for some matters more detailed analysis
Please provide a bibliographic or web source	<ul style="list-style-type: none"> - only one paper of 2003, only published on a very small scale within the police . "Kostprijsberekening van de impact van Veiligheidsfenomenen" (Cost calculation on the impact of criminal phenomena) - Strategic study on the criminal phenomena in Belgium 2006 (Study intern police 2007)
How widely used are the estimates?	The last study is used to determine the policy of the Belgian police for 2008 - 2011
Use to which the estimates are put (e.g. to value crime reduction, prioritise areas of spending or for descriptive purposes, advocacy for interest groups)	For a small percentages these study influences the prioritisation of the criminal phenomena

Country: US

Method used (crude guess, rough estimate, detailed analysis, Brand & Price methodology etc.)	Detailed, varying in sophistication, but generally good calibre. Some resemble Brand and Price but others of equal sophistication but different methods.
Please provide a bibliographic or web source	See MMECC documents.
How widely used are the estimates?	Estimates are used by political leaders when they reinforce political agendas.
Use to which the estimates are put (e.g. to value crime reduction, prioritise areas of spending or for descriptive purposes, advocacy for interest groups)	Attract interest in – and financial support for -- a problem; develop rationale for a national movement – incarceration, drug courts, hot spots interventions, youth violence, drug consumption.

Country: Germany

Method used (crude guess, rough estimate, detailed analysis, Brand & Price methodology etc.)	econometric analysis
Please provide a bibliographic or web source	see file attached
How widely used are the estimates?	rarely used
Use to which the estimates are put (e.g. to value crime reduction, prioritise areas of spending or for descriptive purposes, advocacy for interest groups)	no definite use

Country: Norway

Method used (crude guess, rough estimate, detailed analysis, Brand & Price methodology etc.)	Rough estimate of the total cost of crime in Norway.
Please provide a bibliographic or web source	“Hva koster kriminaliteten samfunnet”, utredningsrapport, Justisdepartementet 1990. A paper copy may be obtained from the Ministry of Justice and The Police.
How widely used are the estimates?	The estimate is mostly used in public policy discussions on crime prevention in the media etc.
Use to which the estimates are put (e.g. to value crime reduction, prioritise areas of spending or for descriptive purposes, advocacy for interest groups)	Advocacy of interest groups Descriptive purposes

Country: Finland

Method used (crude guess, rough estimate, detailed analysis, Brand & Price methodology etc.)	Detailed analysis
Please provide a bibliographic or web source	There are two studies to estimate the costs of men's violence against women in Finland (Markku Heiskanen & Minna Piispa 2000 and 2002: The Price of Violence; the Costs of Violence in a Municipality). See also: http://www.rikoksentorjunta.fi/uploads/lr4jjwoqj4(1).pdf
How widely used are the estimates?	Not widely
Use to which the estimates are put (e.g. to value crime reduction, prioritise areas of spending or for descriptive purposes, advocacy for interest groups)	For descriptive purposes

Please add any additional comments you have on the application of economic methodology to Criminal Justice policy issues:

Country: Germany

Academic research on the topic of cost of crime is - particularly in a federally organised country – a rather complicated issue (Spengler, Ursachen und Kosten der Kriminalität in Deutschland , see attached file).

Country: Norway

In 2005 The Ministry of Justice and the Police issued a report on the cost of crime to society. The report is based on workshops and discussions with invited scholars, including economists. Among the conclusions are that we already know that the costs of crime to society are substantial, and that working to develop a better estimate is of limited value and interest. Furthermore, the report advises that future work on the cost of crime should seek to develop more use of cost-benefit analysis.

The report can be found by here, and is only available in norwegian: http://www.regjeringen.no/upload/kilde/jd/nyh/2005/0056/ddd/pdfv/283334-krim_samfunnsmess_kostnader.pdf

Country: Denmark

As regards item 6, the Danish Ministry of Justice refers to memorandum “Direct Costs of Crime in Denmark” (*Direkte omkostninger ved kriminalitet i Danmark*), published by the Rockwool Foundation Research Unit.