

Combating crime: Innovative solutions

Introduction

Much good work has been done on how best to combat crime. This *Paper* aims to contribute some economic perspectives on the intellectual territory presently claimed by experts such as political scientists, sociologists and legal scholars. This may help towards reviewing and improving policing and other crime-related efforts. Issues include:

- increasing the criminal's operating costs,
- research into criminal activities,
- focusing on real crime,
- raising the cost of being caught and convicted,
- maximum and minimum penalties and court discretion.

Increasing the criminal's operating costs

The normal, reactive approach is to tackle crime where it occurs, and thereafter to track down the criminal. The economic insight is to view crime as a "business" venture. Businessmen normally try to maximise their competitive edge by improving quality and service while reducing costs. By analogy, in order to discourage the "business" of crime, we can consider how to increase the costs of criminals and thus reduce the rate of return. The aim should be that crime doesn't pay so much, or so often, or, ideally, at all.

If, for example, the overall cost to the purchaser of buying a stolen car could be made to approach and then exceed the normal retail cost of a car, the stolen car market would shrink and then disappear. Every cost increase, and hence profit reduction, would progressively reduce the size of the stolen car market. Crime, currently profitable, would almost cease.

Using this approach, brainstorming crime experts may identify practical, safe and effective new methods to combat crime. For example, posing as a consumer of stolen goods can help to identify distribution channels and retailers of stolen goods. Specifically, it may also be useful to investigate, understand and then publicise how the proceeds of cash-in-transit heists are usually laundered.

Research into criminal activities

Several years ago one of the authors paraded as a customer to research various criminal activities. Posing as a potential customer for electronic equipment such as computers, cameras, radios, televisions and hi-fi sets, he was able to get in touch, within a day, with Maria who lived on a smallholding south of Linmeyer. She showed two rooms filled with new consumer goods still in their boxes. She offered to get the author any desired item from any specified outlet, at a negotiable fraction of the retail price.

Her method was to hang around night clubs, meet bank workers, and learn about dormant bank accounts. She would have an ID book made for a boyfriend who would learn the signature, get a credit card and cheque book issued, then embark on a spending spree for up to a month. Even though she had been caught and arrested three times, she had jumped bail or bribed officials, and continued to operate profitably without apparent concern.

It would be hard to catch Maria in the normal, reactive way, but since we could readily find her, presumably the police could do the same. Entrapment is where police create the temptation to commit a crime, for example, by offering uncut diamonds or drugs for sale, and this risks leading an innocent person into crime. Seeking information such as "where can I buy drugs" does not in itself

create temptation, except perhaps of the researcher. To identify and arrest someone such as Maria, those involved would need to know their legal options regarding verbal commitments to purchase stolen goods, as well as understanding at what stage it is possible to make such an arrest.

But achieving the arrest of the actual criminal may be unnecessary. Identifying the final stages of the criminal activity may allow action to raise costs by making it harder to pass on the proceeds of crime. Even such an enquiry process, if used routinely, would probably force Maria to set up more elaborate screening of potential customers, thus raising her costs.

Focusing on real crime

The New York “broken window” or “zero tolerance” approach could divert police resources to matters as trivial as littering and parking which are simply irrelevant while serious crime rages. On the contrary, since crime is rampant and funding for policing, courts and prisons is limited, the criminal justice system should first concentrate on what matters – common crimes, as opposed to technical or victimless “crimes”. Such sensible prioritisation, which already happens informally, should be formalised and extended.

The police should be instructed to use their commonsense and turn a blind eye to victimless crimes, such as trading without a license or being a prostitute, where those involved have given their consent without violence or fraud. Although some may think it subversive to instruct police to ignore existing statutory legislation, the community undoubtedly prefers that the primary policing focus should be on real crime, at least until real crime levels are much improved.

At the same time, and to support this approach, the government should critically review decriminalising much of what is called crime, and so remove it from the statute books. Tax evasion, for example, should become only a civil matter, to be treated as a debt to the state, for recovery of which the government should sue like any creditor.

Raising the cost of being caught and convicted

To deter crime, there should be more certain consequences, by:

- better capture rates,
- swifter and more efficient courts,
- less clemency regarding bail, sentencing and parole.

Non-pecuniary factors other than prison time also raise the cost of crime. As an example, there is a perceived risk of being sodomised during even a single night in jail. This already severely constrains middle-class “victimless-criminals” from arguing with a traffic policeman about an unavailable ID book.

The thought of a prison sentence should act as a deterrent, rather than an inducement, to the majority of potential real criminals. So prison should be, and should be seen as, a less pleasant alternative than life in, for example, a squatter camp. It is immoral for a government which cannot feed and house its poor and homeless population to treat its criminals any better than is necessary to support life. Expensive food, entertainment, sporting facilities, and medical treatment should not be made available at state expense.

Humanitarian arguments for better prison conditions should not prevail while they stimulate crime. A recent U.S. State Department report found the conditions in South African prisons to “generally meet

minimum international standards” – almost uniquely in Africa. While this is probably a matter for satisfaction, we should not go overboard.

Magistrates and judges should see their jobs as increasing the costs of crime, rather than the reverse as at present.

Making bail and parole harder to get would also raise the cost of crime. Bail should never be an option for serious crimes, since intimidation and repetition cannot be ruled out. Criminals should serve their full sentences, and “rehabilitated” prison behaviour should not be a reason for parole. As the agency imposing sentence, the court, rather than an independent parole board, should make any parole decisions.

Maximum and minimum penalties and court discretion

Public calls for the death penalty for capital crimes are a surrogate of the public’s desire for greater toughness on crime. World experience is that popular support for the death penalty falls during periods of low crime, and *vice versa*. It is also often pointed out that while most criminals are not caught or convicted, the death penalty cannot deter. If a formula for reducing the crime rate can be demonstrated, many protagonists of the death penalty will be satisfied by life sentencing instead. Combating crime effectively is the real need.

In calling for minimum sentences, the public is unaware of detailed court processes. Minimum sentences promote unjust distortions. Their advocates wish to remove the court’s discretion and thus prevent leniency, but the court is then forced either to release trivial or marginal transgressors or to apply excessive penalties to them. Rather, the law should allow for stiffer penalties, and their use should be urged, but the discretion of the court should not be removed.

The real need is to restore the confidence of the public and legislators in our judicial processes and officers. It is important to re-establish general respect for the discretion and neutrality of the court and its presiding officer’s decisions. Public concern about historical bias in the courts does need to be addressed, but separately, by reviewing transparency and levels of accountability and developing strategies for transition.

Conclusion

Applying economic thinking and business principles can lead to innovative approaches to combat crime. Periodic brainstorming around a variety of business approaches might even generate a continuous stream of initiatives to combat crime.

Further reading

Becker, G (1966) “Crime and Punishment: An economic approach”, *Journal of Political Economy*.
Louw, LM (1999), *How economics can contribute to reducing crime*, FMF Briefing Paper 43, Johannesburg.

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