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Limiting Criminal Opportunities

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Crime control tends to be a one-sided topic. The focus is on public policies intended to reform, deter, or control criminals and criminal behavior. Yet most crimes are transactions between two or more people – perpetrator and victim (in the case of violent and property crimes), or seller and buyer (in the case of contraband and vice). These criminal transactions can be viewed as perpetrators exploiting opportunities created by potential victims (or buyers). Much crime is prevented by private efforts to limit opportunities. Those private efforts include everything from pedestrians avoiding dark alleys at night, to households installing burglar alarms, to banks' and business improvement districts hiring armed guards. Private expenditures on private security are of the same order of magnitude as public expenditures on policing.

Private inputs to the criminal justice system also influence the quality of criminal opportunities. In fact, few crimes would be solved without private citizens voluntarily reporting the crime and cooperating with the investigation. Given that such cooperation is costly to the private citizens, and usually has no tangible reward, the theory predicts (and the evidence supports) a conclusion that this cooperation is undersupplied. There is much that could be done to encourage voluntary cooperation and thereby increase the productivity of the criminal justice system.

A systematic analysis of criminal opportunities provides promising avenues for crime control that may be lost in a discussion that ignores the transactional nature of crime. Economists have recognized that the private actions to avoid, mitigate, and respond to crime tend to have substantial externalities. What is lacking is an account of how to correct for the misallocation of resources that occurs as a result.

The transactional view also provides a framework for predicting the consequences of crime-control interventions, in which not just criminals but also opportunity providers adapt to changed circumstances (Cook 1986, Ehrlich 1996, Philipson and Posner 1996).

Dimensions of criminal opportunities

As an example of the transactional approach, consider the crime of residential burglary. Any dwelling offers an opportunity to a burglar who is motivated by monetary gain. The opportunity can be described along the following dimensions:

1. Access
2. Payoff if successful
3. Risk of being attacked by householder during crime
4. Likelihood of arrest and punishment.

Each of these dimensions is influenced by the householders' actions.

Access: may be limited by neighborhood (doorman, gated community, remote location) and by investments in locks and window bars.

Payoff if successful: will depend on what valuables are kept in the home and how they are stored, as well as the possibility of recovery;

Risk of being attacked and injured: will depend on what hours the householders are away, and whether they are armed when at home and keep a Rottweiler;

Likelihood of arrest and punishment: will depend on whether the household subscribes to a security service, the willingness of householders to cooperate with police investigation, whether household items are marked, whether neighbors look out for each other.

Rational burglars will make choices among potential targets according to their perception of the relative and absolute quality of each target as an opportunity. For example, a crack house may be viewed as an attractive target because it is in the burglar's neighborhood, the occupants will not report to the police (so there is no chance of arrest), and there will be valuable loot in the form of cash and drugs -- although (for those reasons) there may also be a higher-than-average chance that the house is guarded.

Public policy directed at reducing burglary rates could include efforts to strengthen the incentives to householders to protect their homes and neighborhoods through informal surveillance, good locks and alarms, and cooperation with the police. That is all in the spirit of community policing. The community-policing-type effort (with its focus on exhortation and organization) should be supplemented by a careful consideration of the private incentives facing householders. For example, do homeowners' insurance policies require that burglaries be reported to the police and that household items be catalogued? If not, would it be cost-beneficial for states to adopt regulations requiring such provisions?

Private security, precaution and victimization

As illustrated by the burglary example, private actions have a large influence on the quality of criminal opportunities. Private security is a big business, rivaling the criminal justice system. The current scope of the private security industry is difficult to assess precisely, but the number of employees is at least as large as the number of sworn officers. It encompasses proprietary (in-house) security, guard and patrol services, alarm services, private investigations, armored car services, and security consultants, as well as security equipment (Cunningham, Strauchs and Van Meter 1990). Private security supplements and in some cases substitutes for public action: for example, businesses in many cases investigate and resolve employee theft and fraud without ever going public. More generally, as noted by Brian Forst, "the central functions of policing -- preserving domestic peace and order, preventing and responding to crimes -- have always been

conducted first, foremost, and predominantly by private means... Most crimes still are not reported to the police (1999: 19).”

Private security guards (and police officers who moonlight as private security guards) serve a narrow purpose, namely to protect the property and people they are hired to protect. The term of art is “situational crime prevention (Clarke 1983).” The guard’s job is accomplished if the robbers avoid his bank, or his corporate executive is not kidnapped, or rowdy teenagers are successfully kicked out of his shopping mall, or the would-be burglar does not enter his gated community. “Rather than deterring crime through the threat of detection, arrest, and punishment, private policing tries to regulate behavior and circumstances to diminish the possibility that crime will occur (Bayley and Shearing 2001: 18).”

An obvious possibility is that the crime will simply be displaced to other, unguarded victims and places. If private security does not prevent but only redistributes crime, then its public value (as opposed to private) is nil, and it creates serious equity concerns.¹

While displacement is a legitimate concern, it is not the whole story. Lucrative opportunities, if unguarded, are likely to generate crime that would not otherwise occur. In Isaac Ehrlich’s (1974) classic formulation, the supply of offenses is a function of the relative wage rate to licit and illicit activities. An increase in the net return (payoff per unit of effort) to crime will stimulate participation in criminal activity. He postulates that the payoffs to property crimes “depend, primarily, on the level of transferable assets in the community, that is, on opportunities provided by potential victims of crime (p. 87).” But if the most lucrative “transferable assets” are well protected, then the payoff to crime is reduced. Of course it is the most lucrative targets that tend to be most closely guarded. Banks invest more in security against robbery than, say, travel agencies. Jewelry stores display costume jewelry on open racks but keep the real thing in glass cases wired with alarms. People with meager assets do not need bodyguards to protect against being kidnapped for ransom. Credit card companies have instituted elaborate systems for preventing fraudulent use.

Yet there is a reasonable concern that some private precautionary activities are undersupplied due to the moral hazard created by insurance and even by the police. For example, a vehicle left unlocked in a public location invites theft, but the owner may be willing to accept that risk knowing that the police will attempt to recover her vehicle at public expense if it is reported stolen -- and that in any event she is insured against theft for most of the vehicle’s value. The same considerations may dictate against purchasing alarms and other anti-theft devices. In response, insurance companies may provide a discount on theft insurance to owners who install such devices, and 12 states mandate these discounts. The mandate reflects a perceived public interest in increasing private precaution in this case.

¹ Further, there is a danger that affluent people will become less willing to support public policing if they are purchasing private protection (Bayley and Shearing 2001: 30).

Not all private actions to prevent or mitigate crime are limited to one's own household or business. The notion of "community" suggests neighbors looking out for each other, including with respect to crime. A tight-knit community may limit opportunities for crime by controlling the streets and sidewalks, keeping strangers under surveillance, and placing a check on local teenagers. This notion was given a scientific basis with data from the Project on Human Development in Chicago Neighborhoods. A sociological construct labeled "community efficacy" (a combination of items measuring informal social control and social cohesion) was found to be highly negatively correlated with crime and violence rates, even after accounting for some other features of the neighborhood (Sampson, Raudenbush and Earls 1997). There is great interest and apparent success in crafting deliberate interventions to strengthen social control through public-private partnerships mobilized to confront chronic youthful offenders (Kennedy 2009). More generally, deliberate efforts to build social capital in communities may have substantial payoff, in crime control and other areas of community life (Small 2009).

In sum, private security and precautionary activities reduce crime rates by reducing the quality of criminal opportunities, and in that sense supplement public policing. Both are necessary. Private measures cannot cope efficiently with anarchy – they need to be backed up by police with their extraordinary power of arrest, and their mission of public safety as opposed to private safety. Public and private efforts are further interrelated by the fact that effective law enforcement requires close cooperation with the community.

Increasing private input to public law enforcement

One important aspect of the police department's mission is to reduce crime. Despite the newfound interest in prevention, much police work remains reactive. Crimes that are not reported to the police by private citizens will never be investigated. If the victim does not cooperate with the investigation, it will likely be dropped, and if witnesses are not cooperative it is unlikely to go very far. In this set of transactions, we might say that public safety is being produced with inputs of both law-enforcement resources and of information from private citizens (Clotfelter 1993). The resulting enhancement of public safety benefits the entire community.

While the police depend on the public to report crimes, assist in investigations, and serve as witnesses in court, these key inputs are uncompensated and are supplied in some cases at considerable personal cost, inconvenience, and even risk of retaliation. Even victims are unlikely to benefit in any tangible way from cooperation with police, and most victims do not bother to even report the crime.² In essence the citizens who become involved in a crime are invited to make a charitable contribution of their time and possibly their safety, in exchange for knowing they have done a good deed for their community. Better cooperation from victims and other citizens would increase police effectiveness, but it would help to better align private incentives.

² The National Crime Victimization Survey for 2005 found that 40% of property crimes and 47% of violent crimes were reported to the police.

A good place to start in eliciting greater cooperation might be reducing the private costs of cooperating. State victim-compensation programs provide some incentive for victims who are injured in violent attacks, since payment is contingent on reporting the crime. (Private insurance policies often stipulate that police be informed of a property theft as well.) Witness coordinators in criminal court can assist victims and other state witnesses in scheduling and understanding court proceedings. Police can offer some protection for witnesses that fear retaliation, although local resources for such efforts tend to be all too meager (Kocieniewski 2007).

In some cases the information needed for a successful investigation of crimes requires some prior action. For example, in the case of motor vehicle theft, it is helpful to investigators to be able to prove the rightful ownership of a vehicle or its constituent parts. Registered vehicle identification numbers (VINs) do not discourage theft directly (since they are hidden) but do facilitate building a legal case against a chop shop owner and others involved in the network. In fact, the federal government requires VINs on various parts of new vehicles. The result is to create a general deterrent to theft, a result that could not be achieved without government regulation. (The self-interested vehicle owner receives little benefit from his own vehicle's VIN, and he would not be willing to pay the cost voluntarily.) A similar logic applies to electronic tracking devices such as Lojack. Ian Ayres and Steven Levitt (1998) demonstrated that Lojack has large positive externalities in deterring auto theft. Because much of the benefit is external, the likely result is that too few people will voluntarily equip their vehicles with Lojack.³

Information is needed to prevent serious crimes as well as solve them. In the spate of school rampage shootings that culminated in Columbine, one of the commonalities was that perpetrators had shared their plans with classmates, and that the classmates had not seen fit to report this information to authorities (Newman 2004). While the causes of these distressing events were multiple and diffuse, a targeted prevention strategy would necessarily give high priority to persuading adolescents to pass on such information. Of course there is a strong parallel here to terrorist conspiracies of all kinds. More mundane is the routine urban problem of gun carrying by dangerous people, where before there is an actual victim there is a possibility of preempting violence by alerting the police. With that thought a number of police departments, including New York's, have established programs that offer a generous reward for a tip leading to arrest of a gun violator, with guarantees that the tipster remains anonymous.

³ It should be noted that self-protection activities can have *negative* externalities. Particularly problematic is the inclination to keep and carry firearms for self-protection purposes. Although the matter is hotly contested, the best evidence suggests that a high density of private gun ownership in a community increases both the homicide rate (Cook and Ludwig 2006) and the burglary rate (Cook and Ludwig 2003); the latter is probably due to the fact that firearms are easily fenced loot, so that communities with a high density of gun ownership are relatively lucrative to burglars. For a contrary view, see Philipson and Posner (1996).

More broadly it is important for the police to be viewed as serving the interests of the community. Developing a healthy working partnership between police and community is the essence of the community-policing ideal.⁴ But the most crime-ridden communities are often the ones where cooperation is scarcest, in part because the police and courts are viewed with distrust (Tyler and Fagan 2008) .

The way forward

In this chapter I hope to accomplish the following:

1. Develop the “criminal opportunity” transactional framework, arguing that public interventions to encourage private security, precaution, and cooperation may provide cost-effective crime control.
2. To illustrate the potential of this approach, analyze trends in burglary, robbery, and perhaps auto theft to determine how the quality of criminal opportunities has changed over time and whether the observed trends can be partly explained thereby
3. Analyze the incentives and disincentives for private cooperation with the criminal justice system, including trends in reporting rates and arrest rates in that context, and provide an assessment of programs intended to improve cooperation.

⁴ For example, Durham, North Carolina has organized the Community Response to Violent Acts for those crimes likely to engender retaliation. The Response consists of a door-to-door canvassing of the neighborhood where the crime occurred and the victim’s residence by the Durham Police Department, partnering agencies and organizations, clergy, and concerned citizens. The canvass is designed primarily to develop investigative leads in the case by asking neighbors to come forward with information that may assist investigators in solving and prosecuting the case.

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