

SPENDING FOR SAFETY IN 1996. A NEW METHOD FOR EVALUATION

Christophe PALLE is an economist working with the CESDIP. He has reexamined studies on the cost of crime. Thierry GODEFROY, researcher at the CESDIP, has been investigating the subject for several years.

Expenditures for safety aimed at controlling offending have several objectives: reducing the frequency of offences, reducing their seriousness, reimbursement of damage and punishment of offenders. The latter action is fundamentally a government prerogative. What is estimated here is the spending of various protagonists in this sphere. We only consider those induced by the action of offenders, and have therefore excluded expenditures by those offenders themselves, be it to finance their criminal activities or to pay their attorneys.

These expenditures for crime control may come either from public funds, in the form of financing of a collective good, or from private funds, in the form of purchasing — either optional or compulsory — of goods and services by private parties.

Public and private spending will therefore be discussed separately.

Our new method and approach to evaluation

The CESDIP has been examining spending for safety for many years now. Two contradictory requirements are encountered in doing this. Firstly, one period must be compared with another; this assumes that methods of estimation are constant. Secondly, there must be an ongoing attempt to improve evaluation by including newly available data. We have decided to prefer the latter approach this time, and to reexamine how evaluation is done. This yields results that are, for the most part, not comparable with earlier findings.

The figures given here are simple estimations. They are the fruit of secondary analysis of data that preexist but are scattered and were generally established for other purposes. They are the outcome of hypotheses and choices grounded in the examination of the various sources available. We have often been obliged to simplify our reasoning here, and to give an unrefined presentation of the parameters selected (the activity quotas in particular). Space is lacking for the necessary justification of our choices and description of evaluation methods. Readers are referred to the complete report.

Public spending

This involves expenditures by the central government and local communities for controlling illegal behavior. They are allotted to preventive or punitive action, and include the cost of:

- ↳ the activities of agencies in charge of law enforcement (the various police departments and other administrations involved in controlling offences),
- ↳ the activities relative to the judgment of offenders and their punishment (coming under the ministry of Justice services in charge of the judiciary system, the correctional administration and the judiciary protection of youth),
- ↳ some social, preventive action financed by the *départements* or the central government.

Two difficulties are encountered:

- ↳ The first is inherent in the establishment of costs that cut

across institutional lines, since spending is done by several administrative agencies. None of the agencies considered devotes all of its energy to controlling crime. A quota must therefore be established for the participation of each agency in this type of activity, with the consequent problem of defining limits, and the introduction of a considerable margin of incertitude.

- ↳ The second involves the problems of spending for specific prevention of offences. "Social" prevention of crime is handled by institutions dealing with a variety of social problems by no means confined to crime. It is quite difficult to determine what portion of the money spent by these institutions is liable to have an impact on crime, specifically. Actually, the different social problems are so interrelated that prevention is now comprehensive. In the last analysis, inclusion of a fraction of these expenditures is based on the idea that prevention of crime is one of the justifications of spending, and one of the goals pursued. The fraction of total expenditures included in our reckonings reflects the importance attached to this objective.

Spending for law enforcement

- *Police and gendarmerie nationale*

According to our definitions, most police and *gendarmerie nationale* activity should be counted here, including that of permanent, mobile riot control units (*compagnie républicaine de sécurité* — CRS — and *gendarmerie mobile*), which seem to be increasingly used to back up the territorial units (*gendarmerie départementale*, national police force) for regular public safety work. Only activities unconnected with crime control such as the military tasks of the *gendarmerie*, first aid and purely administrative activities (such as delivering drivers licences), as well as the activities of some specialized units too narrowly or too indirectly connected with crime control work — for example, the *garde républicaine*, RG¹ and DST — have been excluded. Breakdown of the shared budgets (staff, training) in proportion to the crime control activities of each would have been preferable, but we did not dispose of the information required to do so.

We attempted to use the same method of reckoning for the police and the *gendarmerie*, based on the average budgetary cost of each of these forces (overall budget of the police or *gendarmerie* in ratio to their respective tenured manpower).

In all, for an overall police and *gendarmerie* budget of approximately 49 billion francs² in 1996, we have counted **37 billion francs** for expenditures for crime control. This sum corresponds to 156,000 tenured police and *gendarmerie* officers participating directly or indirectly in controlling offending, with an added 16,000 conscripts employed as police or *gendarmerie* auxiliaries.

¹ An explanation of abbreviations will be found at the end of this paper.

² "Billion" is taken in the American sense here: a milliard, or one thousand millions, in the British denomination.

- Institutions with functions similar to those of the police and gendarmerie

These include 12,000 municipal police officers and 9,000 uniformed Customs officers, at least 8,000 of whom work in positions aimed exclusively at controlling offences. Their functions are quite similar to those of the police and gendarmerie. Each of these two groups costs about **2 billion francs**.

- Other institutions

These are administrative agencies in charge of controlling some offences (the tax department, labor inspectorate, etc.; but still others such as the COB or the CSA might be included as well). It is difficult to measure the contribution of these institutions to criminal justice action.

On the basis of available information, we have included the following figures in our evaluation: 14,000 civil servants working for the tax department, 2,400 people working for the department monitoring competition and consumer affairs and combating fraud, 1,200 labor inspectorate workers and about 2,500 agents in charge of combating various types of evasion (tax on televisions, URSSAF, CAF).

There are some additional 20,000 agents participating in combating offences, then. The corresponding expenditures may be estimated at **4.3 billion francs** for 1996.

The overall cost of departments in charge of law-enforcement was therefore somewhere around **45 billion francs** in 1996, for some 196,000 tenured agents and 16,000 conscripts.

Expenditures for judiciary and correctional activity

- Activity of the courts

The budgets of the civil and criminal justice courts are often indistinct. In practice, the same facilities and same means are used for both types of activity. Judges and justice department civil servants may also work alternatively in the two fields. According to available studies, criminal justice represents slightly over 50% of spending: this is the ratio used here for dividing up the joint budget. Spending for the criminal justice activities of courts represents **5.2 billions** in 1996, for an estimated manpower (in equivalents of full-time positions) of about 3,300 judges and 10,650 justice department employees.

- Correctional expenditures

The totality of these expenditures, written into the correctional department budget, is included. They amount to **6.7 billions** in 1996; 24,100 positions are included in the 1996 budget of this department.

- Judiciary protection of youth

Expenditures of departments in charge of the judiciary protection of youth cover juvenile offenders and endangered juveniles, both of which categories may be handled by the public sector or authorized citizens' groups. It is rather difficult to differentiate spending connected with criminal offences from that devoted to the simple protection of endangered juveniles. Our hypotheses lead us to include two-thirds of the expenditures of the public sector and slightly half of the spending of authorized private groups. This amounts to **1.3 billion francs**. Evaluation of the number of workers is more difficult: there are probably somewhere between 3 and 4,000 people involved.

In 1996, ministry of Justice expenditures totalled 21 billion francs. Of this sum, the portion allotted to controlling offences

was **13 billion francs**. 41,500 people were employed in that capacity.

Expenditures for the social prevention of crime

Attempts at assessment are hazardous, here: as mentioned above, measurement of spending for specific preventive action is difficult, and there are numerous actors. With decentralization, it has become increasingly difficult to keep informed of the activity of the numerous participants in the field. We have confined our calculations to three categories of expenditures: spending for social aid for children, a *département* prerogative, some social aid spending by the central government (social rehabilitation and emergency housing and social aid for the homeless) and expenditures in the framework of urban improvement policies.

Assessment of the portion of these expenditures devoted to the prevention of crime is somewhat arbitrary. The quotas selected reflect the weight we have ascribed to the objective of crime prevention among the various explicit or implicit objectives assigned to these expenditures. In the last analysis, we believe that at least one third of this spending is directly or indirectly aimed at preventing crime. Thus, in 1996, we arrive at a figure of 8.5 billions for *départemental* social aid, 1 billion for governmental social aid and 4.3 billions for urban improvement policies (central and local government spending combined): in all, a total of **14 billion francs** devoted to crime prevention.

Gross and net public spending for crime control

The above estimations show that **gross public spending for crime control amounted to 72 billion francs** in 1996. The administration spent 61 billion francs, representing 4% of its overall budgetary expenses.

Logically, we must deduct all effectively collected income (fines and sentences to payment) generated by crime control activities: that is, 4.4 billion francs in 1996.

Table 1: Public spending for crime control in 1996 (millions of francs)

<i>I. Total police forces and assimilated</i>	40 991
. Gendarmerie nationale	16 158
. National police	20 196
. Municipal police	1 947
. Customs	1 970
<i>II. Other control agencies</i>	4 200
. DGI	2 700
. DGCRF	700
. Other	800
<i>III. Total law enforcement (I + II)</i>	45 191
<i>IV. Justice</i>	13 266
V. Safety budget (other than social prevention)	58 457
<i>VI. Social prevention</i>	13 954
. Départemental social aid	8 506
. Government social aid	1 076
. Urban improvement policy (crime prevention)	4 372
VII. Gross expenditures (V + VI)	72 411
<i>VIII. Fines and prison work</i>	4 400
IX. Net expenditures (VII - VIII)	68 011

Source: CESDIP

Subtraction of income from gross expenditures leaves us with a net expenditure for crime control of **68 billion francs**.

Had we applied the method used for evaluation in our earlier publications, based on a more restrictive definition of the field, net public spending for safety would have amounted to less than *50 billion francs*.

Private spending for crime control

Private spending includes purchases of goods and services by households and businesses to avoid being victims of offences committed by a third party, and to obtain financial compensation for any damage or loss suffered. Moreover, some expenditures are compulsory for all households and firms possessing motor vehicles, for the compensation of damage and losses to a third party resulting from violations of the traffic regulations. The first category corresponds to spending for protection, the latter two to insurance costs.

Spending for protection

These expenditures are measured by the turnover of firms in the safety sector. The data are obtained by systematic surveys covering most of these companies³. These sums also include prevention of accidents and of risks caused by faulty material for which no individual criminal responsibility is engaged. For the purpose at hand, we therefore attempted to identify the fraction of specific expenditures for protection against each sort of offence, using quotas for each sector. According to our reckoning, such spending for protection against offences amounted to **25 billion francs** in 1996.

Insurance spending

We have divided this into optional spending aimed at protecting the insured party and compulsory spending (for all owners of motor vehicles) aimed at protecting the victims of the insured when they commit an offence.

- Optional expenditures

These are optional clauses subscribed to for coverage of risks tied to offences committed by a third party (not the insured individual). The main risk of this type is of course theft, mostly of motor vehicles and secondly those committed within private property (homes and business places). The comprehensive insurance company figures for premiums covering theft of motor vehicles are not known. We have estimated them on the basis of reimbursements for theft, to which we applied the average mark-up ratio (the ratio between premiums and reimbursements) observed in the automobile sector.

Other damage may also be of criminal origin (including fire and car window-breaking). No data is available on premiums for these. They probably only amount to a small fraction of what is paid for theft insurance. In all, the optional private insurance spending known to us represented about **21 billion francs** in 1996.

- Compulsory expenditures

In the case of automobile insurance, this includes premiums for civil liability. These are used to compensate any victim of an accident for which the insured person is responsible.

Only compensations connected with offences come within the range of the present study. Surveys of accident reports show that an estimated 30% presumably involve an offence as possibly contributory to the accident. Application of this quota to premiums for civil liability shows compulsory insurance

expenditures connected to offence-committing to amount to **12 billion francs** in 1996.

In all, private spending for crime control came to 59 billion francs in 1996, 33 billion of which were spent for insurance and over 25 billion for protection.

The following table shows all spending for crime control.

Table 2: Spending for crime control in 1996
(millions of francs)

	Millions of francs	%
Total gross public spending	72 411	55,2
. Law-enforcement agencies	45 191	34,5
. Justice	13 266	10,1
. Social prevention	13 954	10,6
Total private spending	58 762	44,8
. Private spending for protection	25 383	19,4
. Optional private insurance spending	21 000	16,0
. Compulsory private insurance spending	12 379	9,4
Total spending for safety	131 173	100,0

Source: CESDIP

This seems to indicate that in 1996 the French devoted over 131 billion francs, representing about 1.6% of the gross domestic product, to crime control:

- ↳ Slightly more than half of this sum, **72 billion francs**, transited through public budgets to finance institutions in charge of law enforcement, to judge offenders and have them serve the punishment to which they were sentenced, and last, to attempt to prevent crime.
- ↳ French households and businesses purchased **25 billions** worth of goods and services to protect themselves against potential offences, and another **21 billions** to be sure to obtain compensation in case they suffered a loss. Last, car-owners spent an additional 12 billions for the compensation of victims of traffic violations.

Christophe PALLE and Thierry GODEFROY

Abbreviations:

CAF: Caisses d'allocations familiales = Agencies managing child benefits.

COB: Commission des opérations de bourse = Monitors the stock market.

CSA: Conseil supérieur de l'audiovisuel = Monitors the audiovisual scene.

DGCCRF: Direction générale de la concurrence, de la consommation et de la répression des fraudes = Executive committee monitoring competition and consumer affairs and combating fraudulent activities.

DGI: Direction générale des impôts = Tax Department.

DST: Direction de la surveillance du territoire. National intelligence.

RG: Renseignements généraux = Police intelligence.

URSSAF: Union pour le recouvrement des cotisations de la sécurité sociale et d'allocations familiales = Agency in charge of recovering dues to the public welfare system.

For further information see:

PALLE (Ch.), GODEFROY (Th.), *Les dépenses de sécurité, 1992-1996*, Guyancourt, CESDIP, Etudes & Données Pénales, 1998, n° 78.

³ *Atlas économique de la sécurité, En toute sécurité*, annual.