

SPENDING FOR SECURITY - TRENDS FOR 1981-1991

Since the early 1970s, the CESDIP has studied what crime costs France : the *Cost of crime*. There are two facets to the question :

- the weight of different offences, estimated in monetary terms,
- actual expenditures for controlling crime.

Findings are updated at regular intervals. The latest figures on spending for security in 1991 are presented here, along with an analysis of the trend for the 1981-1991 period.

The spending considered here is confined to one specific risk : crime, which is to say those acts susceptible of a criminal court conviction.

SECURITY : BOTH A PUBLIC WEAL AND A COMMODITY

Crime-related security expenditures come under three headings : prevention and repression of criminal acts, protection against the risk of being a victim, and compensation in case of a loss.

While the State still has a monopoly on law enforcement, it shares some of its prerogatives for prevention with local communities, since decentralization, as well as with private enterprises offering protective devices and services. According to economists, security is both a collective weal, financed by public agencies (which takes on both repression and prevention) and a commodity purchased on the marketplace by private parties (protection and insurance). The expenses evaluated here are twofold, then : what comes out of the public budget and spending by businesses and households.

Public spending is mostly done by the community to prevent or repress criminal activities.

Expenses incurred by public agencies may be divided into those pertaining to policing (national police department, *gendarmerie nationale*, municipal police forces, etc.) justice (courts, correctional administration, justice department-run prevention, etc.) and last, other spending for prevention. Some income from fines and prison work must be deducted from these sums.

Two difficulties are consistently encountered in any evaluation of this security budget :

In most instances, the activities of the agencies participating in crime repression are not restricted to the criminal justice sphere. Expenditures must be broken down so that only the portion corresponding to the cost of their security-related action will be considered.

Preventive activities are difficult to measure. For one thing, the agencies have both repressive and preventive activities : the distinction between prevention and direct

repression of offences is not clearcut, then, particularly in their accounting. Secondly, certain agencies are designed to handle a number of social problems which are by no means confined to criminality. This makes it difficult to define their contribution to specific prevention, since it is only one of a number of goals. Furthermore, policies in this field have changed considerably in recent years. There has been a shift from specifically targeted action to programs dealing comprehensively with social problems, and aimed at restructuring the social tissue in certain urban areas. The multiplicity and interaction between the various actions implemented in the latter framework makes it particularly difficult to differentiate between funds specifically earmarked for prevention of crime and those allocated to welfare policies as a whole. The splitting of competencies in this respect between the State and local governments requires a ventilation of budgets, often a difficult operation, particularly since decisions on spending and the financing of operations are not always in the same hands. Once again, apportionment must be used for the assignment of different types of expenditures and their financing.

Private spending is money spent by businesses and households to prevent criminal acts or repair their consequences.

A distinction is made between spending for protection to avoid being a victim (such as security guards and protective devices) and for insurance, the purpose of which is to obtain compensation for the damage caused by an offence. Actually, this difference is not as clearcut as it may seem, accountancy-wise. Insurance companies do not confine their activity to the post-loss phase, they also play a major role by demanding that businesses and private individuals install security arrangements¹.

EVALUATIONS AND CHANGES

Security spending totalled 88 billion francs in 1991, versus barely 60 billions ten years earlier, and 75 billions in 1987 (in constant, 1991 francs), including 20.6 billion francs for prevention, 20.6 for repression, 16.8 for protection and 25 for victim compensation.

Expenditures by the community (41 billion francs) are now inferior (47 %) to those attributable to the private market (protection and insurance), which have progressed steadily in recent years. Spending for protection was probably underestimated at the start of the period, but this does not change the fact that the respective weights of public and private spending were reversed in the mid-1980s.

In 1991, *public spending* represented 3.2 % of the State budget, with equal shares for prevention and repression. The cost of policing totalled 20 billion francs (national police, over 12 billions, *gendarmerie* 6 and municipal police forces 1.5). The ministry of Justice spent about half that much : 10 billions, of which 5.4 went to the corrections department and 3.7 to the courts.

1 - Ocquettau F. : *Gardiennage, Surveillance et sécurité privée*, Paris, CESDIP, 1992.

Last, expenditures for social prevention, one objective of which is the prevention of crime, now exceed 11 billion francs : the sums invested in policies dealing specifically and comprehensively with urban problems (*politique de la ville*) doubled between 1990 and 1992.

If the grids previously used for estimation are maintained for 1991, a 25 % increment in public spending is found, in constant francs, between 1981 and 1991, with spending for repression (+ 30 %) rising half again as much as spending for prevention (+ 20 %)².

The rise in government expenditures for repression is mainly attributable to the late 1980's 13.000 program for new prisons. Between 1987 and 1989, correctional spending rose by 57 %, after which it levelled off in 1990, and declined in 1991 (the cost of this agency accounts for 13 % of all public expenditures, as opposed to 16 % in 1989). Note should be taken of the evolution of spending by the *gendarmerie* : there was a 27 % increment in spending for repressive activities as opposed to only 12 % for prevention, over the ten-year period. This evolution in budgetary allotments within these agencies reflects a redistribution of means, with priority increasingly given to repression.

Private expenditures for protection totalled close to 47 billion francs. The cost of insurance - 25 billions in all - represents slightly more than half of this sum, but its weight has consistently tended to decline over the last ten years (it represented two thirds of private spending in 1981). All theft insurance, costing about 7 billion francs, can be put in the protection category. For the automobile branch of insurance policies, only the portion of the premium corresponding to protection of car owners against losses connected with criminal offences (thefts or accidents involving driver liability) should be taken into account. Estimations take one fourth of the cost of premiums as their basis.

Purchasing of devices and services for protection - 17 billion francs worth - is developing rapidly, although it slowed down somewhat in 1991. Security guard companies still rank first, with slightly over 9 billions, but their expansion has not been as great as that of various protective devices, with a

figure of 7.5 billions, nearly 2 billion of which went for computer security alone. However, for many years it was difficult to collect data for these evaluations, which were probably underestimated. In recent years, the professional agencies have made serious efforts to evaluate the activity and income of this branch.

Estimations of the cost of security emphasize the amount spent respectively by public agencies - the State and local communities (41 billion francs) and by the market sector (4 billion francs). The ten-year trend clearly points to a rise in the latter, and especially in spending for protection.

Within public spending, the State has tended to devote more of its funds to repression. This is explained by the heavy investments consented in the late 1980s by the ministry of Justice for building and equipping prisons. However, throughout this period, a redistribution of the police force (and especially of the *gendarmerie*) is visible, in terms of numbers and resources assigned to repressive activities.

At the same time, decentralization has resulted in the implementation and development, at the local level, of crime prevention programs. Accurate assessment of the overall sums allotted to this type of action is still difficult. At the same rate, this analysis of spending for security does point to a redistribution of competencies between the State and the local communities, with the former redirecting its action towards repression, whereas the latter concentrate on prevention irrespective of the sources of funding.

Thierry Godefroy
Bernard Laffargue

For further information, consult :

GODEFROY (Th.) et LAFFARGUE (B.) : *Les coûts du crime en France, les dépenses de sécurité*, Paris, CESDIP, sp.

GODEFROY (Th.) et LAFFARGUE (B.) : *Les coûts du crime en France, l'estimation monétaire des délinquants*, Paris, CESDIP, sp.

2 - The weighted breakdown used for the evaluation of control and preventive action by the police was revised for 1991.

Table 1 : Spending for security

In millions of francs				
Value in constant francs (base, 1991)	1981	1984	1987	(*) 1991
Public spending	33 119	35 472	36 748	41 424
for prevention	19 613	21 171	21 548	20 610
répression	13 506	14 301	15 200	20 612
Private spending	28 622	32 973	38 244	46 850
for protection	6 097	7 097	8 378	16 850
insurance	18 998	21 590	24 216	e 25 000
TOTAL	61 741	68 445	74 992	88 274

Source : CESDIP
e : estimated
(*): statistical discontinuity : the weighted break-down of public expenditures (essentially by the police) has been modified.

Table 2 : Public spending for security

In millions of francs				
Value in constant francs (base 1991)	1981	1991		
		Prevention	Repression	Total
Police departments	16 680	8 897	11 081	19 978
11 Gendarmerie	5 109	2 712	3 407	6 119
12 National police (1)	11 571	4 685	7 674	12 359
13 Municipal police	nd	1 500		1 500
Justice	7 283	594	9 531	(*) 10 327
21 Courts	3 012		3 757	3 757
22 Protection of juveniles (1)	1 197	594	416	1 010
23 Correctional system	3 074		5 358	5 358
Social prevention	9 156	11 119		11 119
TOTAL	33 119	20 610	20 612	41 424
Fines and work in prison (2)	- 1 454		- 4 399	- 4 399
TOTAL	31 665	20 610	16 213	37 025

Source : CESDIP
(1) weighting of breakdown changed in 1991.
(2) not significant in 1981, owing to the amnesty.
(*): including 202 million francs for victim compensation.

Table 3 : Private spending for security

In millions of francs			
Value in constant francs (base 1991)	1981	1991	1991/1981 (%)
Cost of protection	6 097	16 850	176,4
including security guard services	3 452	9 300	169,4
protective devices	2 645	7 550	185,4
Cost of compensation (insurance policies)	18 998	e 25 000	31,6
for theft	3 006	e 7 000	132,9
car insurance	15 992	e 18 000	12,5
Cost of lawyers	3 527	5 000	41,8
TOTAL	28 622	46 850	63,7

Source : CESDIP
e : estimated