

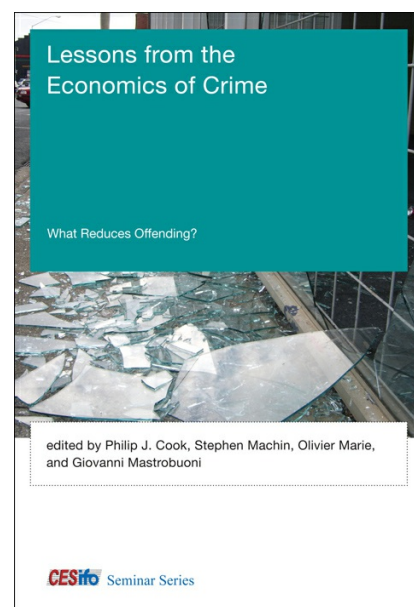
Book Review: Lessons from the Economics of Crime: What Reduces Offending? edited by Philip J. Cook et al.

*Which policies should be implemented in order to reduce crime? How can we judge whether these policies are successful? Nils Braakmann finds that **Lessons from the Economics of Crime** offers a good overview of some of the questions with which economists interested in crime have been concerned. Chapters cover re-offending, youth in the justice system, organized crime in Italy, and immigration and integration. Recommended reading for journalists, policy makers, or social scientists who are interested in what economics can bring to the table when it comes to research into crime.*

Lessons from the Economics of Crime: What Reduces Offending? Philip J. Cook, Stephen Machin, Olivier Marie, and Giovanni Mastrobuoni (eds.). MIT Press. November 2013.

Find this book:

Lessons from the Economics of Crime: What reduces offending?, edited by Philip J. Cook, Stephen Machin, Olivier Marie, and Giovanni Mastrobuoni, is a collection of essays by some of the leading authors in the economics of crime as well as some younger researchers in this field. The book covers a wide range of topics, ranging from questions more obviously associated with economics such as the evaluation of crime-reducing policies or the link between immigration and crime, to more unusual questions around hooliganism. The collection is organised into and effectively held together by three Parts, each covering a domain in which economic research has been particularly influential: Policy Choice and Normative Framework; Crime as a Rational Choice; and Feedback and Interactions.



The first three chapters are organised around the question of which policies should be implemented to reduce crime and how to judge whether these are successful. As the authors point out, economics has a useful normative tool – cost-benefit-analysis – to answer not only the question whether a specific policy works, but also whether it is worthwhile in the sense of being cost-effective. This latter question is important as a simple example shows: Consider a small village of a 100 people employing one policeman at an annual cost of £20,000. The village enjoys a relatively safe life with only a few petty crimes committed each year, but considers whether to hire an additional policeman. Whether this would be a good policy depends on two things: (A) What is the impact of this additional policeman on crime? (B) Is this reduction in crime worth the additional cost? An answer to question (A) would require an estimate of the causal effect of police on crime (in itself not straightforward), while question (B) would additionally require knowledge of the associated costs of crime prevention and crime itself.

A good example of this line of thinking is the chapter by Emily Greene Owens, in which she looks at an important aspect of question (B), namely whether more police reduces offending primarily through incapacitation (i.e., criminals being locked away) or through deterrence (i.e., potential criminals not committing crimes for fear of being caught and punished). These two mechanisms have very different cost implications as imprisonments leads to additional costs for society through the criminal justice system. Her evidence, using variation in police hiring through grants from the Community Oriented Policing Services programme in the US, suggests that hiring additional policemen not only reduces crime but also reduces arrests. This in turn implies that deterrence is more important than incapacitation, which makes it more likely that hiring additional police is cost-effective.

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The second set of chapters is organised around the idea of crime as a rational choice, i.e., the idea that potential criminals weight the cost and benefits of committing a crime against a (legal) alternative. This simple framework, going back to the seminal work of [Gary Becker](#) (who passed away during the writing of this review), suggests several potential mechanisms to influence crime – the attractiveness of life in legality, the attractiveness of crime, the risk of getting caught and the severity of punishment. The chapter by Michael Priks uses the idea of the rational criminal to understand whether it is better to address football-related violence by targeting specific hooligans or by using more indiscriminate forms of policing. He begins by verbally describing a simple model of hooliganism (which is more fully worked out in a paper by him and Panu Poutvaara in the [Journal of Public Economic Theory](#)), which allows for different effects of these two types of policing. Specifically, indiscriminate policing, such as the kettling of large groups of football supporters, can have an effect on the composition of hooligan groups by driving out less violent members, which might increase violence as the average group member becomes more prone to using violence. He then presents evidence on this mechanism from the closure of a specific hooligan taskforce in Stockholm following the 9/11 terrorist attacks and the 2004 Asian tsunami. These (temporary) closures led to a drop in targeted policing in Stockholm that did not occur in two other Swedish regions, effectively leading to a treated region and to two control regions. In both cases, the closure of the hooligan taskforce led to increases in both the number of incidents and their violence, suggesting that targeted policing is to be preferred.

The last set of chapters are based around the interaction and feedback effects between crime and other areas of society. A good example is the chapter by Bell and Machin, who review the evidence between immigration and crime. Their review of the evidence suggests a very limited impact of overall immigration on crime. However, there appears to be an important feedback mechanism through the labour market as increases in immigrant numbers with comparatively bad labour market prospects appear to be related to an increase in property crime. This suggests that context matters when it comes to the link between immigration and crime and that the impact of immigration might very well differ depending on the overall economic situation as well as the composition of the respective immigrant groups.

Overall, the book contains a wide and diverse set of chapters, which leads to a good overview of some of the questions with which economists interested in crime have been concerned. The technical level of the book is kept rather low compared with some of the underlying articles or other overview articles such as those in the [Handbook on the Economics of Crime](#), which makes the book easily accessible to non-economists. Importantly, this effort to be accessible does not lead to imprecision when it comes to the description of the results. I believe the book would be a good read for journalists, policy makers, or social scientists from other disciplines who are

interested in what economics can bring to the table when it comes to research into crime. Readers with training in economics or who want to engage in research in this area would probably benefit from also consulting the more technical material in the original articles underlying the chapters.

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