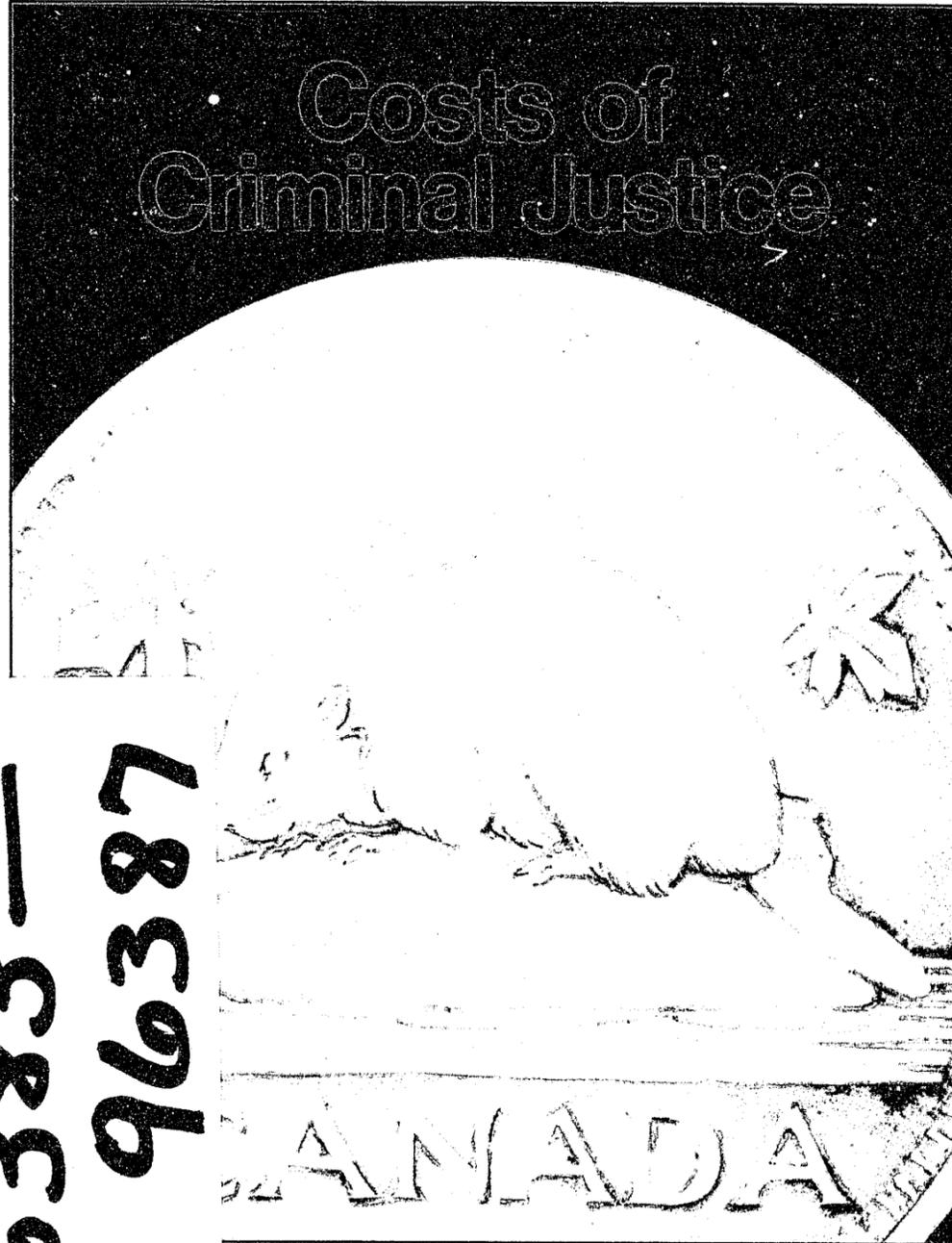


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IMPACT

Costs of
Criminal Justice



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U.S. Department of Justice
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Costs of Criminal Justice

IMPACT is a periodical which presents research and statistics about crime and criminal justice

The aim of this publication series is to bring together, in concise and readable form, key research, statistical and other information pertaining to crime and criminal justice that will be useful to legislators, policy and program decision-makers and others involved or interested in the Canadian criminal justice system.

This publication series is produced by the staff of the Programs Branch. This Branch of the Ministry's Secretariat consists of the Communications Division, the Consultation Centre, the Research Division, the Statistics Division, and Branch Administration.

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Communications Division
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340 Laurier Avenue West
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Costs of Crime: Introduction

JOHN L. EVANS

*Director General,
Research and Statistics Group*

Concern about the costs of crime — in all of its meanings — is not recent. Over the last fifteen years, however, the need for good cost data has become increasingly apparent. Information on the costs of crime can serve several purposes:

- a) cost data allow a complementary and, in some cases, particularly meaningful way of quantifying the amount of crime in a society;
- b) by reference to such concepts as gross national product or constant dollars, cost data allow standardized historical comparison of crime and the response to crime;
- c) cost data allow important comparisons between criminal justice and other basic social expenditures; and
- d) cost data allow comparative cost-benefit analyses to help evaluate social programs and contribute to social policy development.

Some might quarrel at such a cold, practical and amoral measure of crime. Certainly crime involves many issues of ethics and ethical choices. Moreover, many of the most important costs of crime — the psychological and emotional suffering of victims, the fear and insecurity of those who believe they are at risk, the loss of freedom and potential productive labour that incarceration means for the criminal who is caught, the pain and often anger of the families of victims — cannot be measured in dollars. These often intangible, and largely unmeasurable, costs must be a significant part of any cost-benefit equations.

The "cost of crime" is simply a convenient shorthand for a diversity of expenditures and damages, costs to victims, costs to society, costs to some segments of society, costs to criminals, private and public costs, direct and indirect costs and so on. Criminologists speak of average costs, marginal

costs or total costs. Some seek a measure of the ultimate costs of crime — some estimate of national income as it would be in a crime-free society. We are very far from being able to estimate global or ultimate costs.

Nevertheless, until we link social issues to some economic cost concept, until we know more about the costs of crime to society, to victims, and, indeed, to criminals, we will be unable to answer our ethical questions to our own satisfaction. That is, ethical choices about crime demand knowledge about the consequences of crime. Obviously, questions of efficiency demand cost information, but so too do the more fundamental questions about whether social programs and policies are working. If we think they are "working", we will still want to know at what price. When we wish to choose among beneficial programs we will also want to know their relative costs. Social policy and program development would benefit from knowledge about which crimes cause the greatest losses and which the least, and which groups or categories of people suffer the costs most heavily.

Our major difficulty is that we are far from having good quality data on the costs of crime. The laborious process of conceptual clarification and data collection has only begun. For example, we know little about the social and economic costs of enterprise crime, although a Federal/Provincial Study Group promises to provide some systematic data. We know little about criminal court expenditures, although the Canadian Centre for Justice Statistics is addressing this problem. We have not the data to know which crimes produced the largest expenditures of criminal justice dollars. Nor do we have data on which criminal justice objectives — control, prevention, punishment, rehabilitation, incapacitation — consume most dollars. We have only a glimmering of the large expenditures involved in private security and private justice more generally. We know little about expenditures by social and health agencies which are directly related to crime.

The problems only start here: add to the multiplicity of jurisdictions, the multiplicity of agencies involved in responding to crime, and the multiplicity of functions within each agency. Take the police as an example. Quite apart from the number of police departments and jurisdictions — federal, provincial and local — we know that much police activity is not specifically focused on crime. Traffic control, twenty-four hour social service and similar police activities would be necessary even in the theoretical crime-free society.

The first article in the issue offers global estimates of some aspects of the cost of crime control. But, as the author has indicated, the data provided require cautious interpretation. The data used, some of which were collected by others and for other purposes, inevitably represent a variety of accounting and counting procedures. Crime in Canada is a multi-jurisdictional phenomenon. Attempting to sum or integrate data from such diverse sources is always hazardous.

The second article focuses on the costs of policing. Canadian taxpayers and their governments in 1980 paid over 1.6 billion dollars or \$71.25 per

capita for police services (Sol. Gen., 1981). The average costs for employing a single police officer in 1980 was \$34,397 up from 27,028 in 1977-78 (Quebec Ministry of Justice, 1982). Though the growth in the costs of policing generally mirrored similar increases in all government expenditures, the evidence suggests that policing increased more than its proportional share of total expenditures. If policing has become expensive in Canada, it is partly because it has grown so dramatically — more than other components of criminal justice — in the last twenty years. Although recent indications show these costs are being controlled and indeed in some communities are being cut back, the present problems have made cost-effectiveness and efficiency major issues in policing. The article focuses on one relatively large municipal police force to show more clearly just how these dollars are being spent.

The third article focuses on the costs of corrections. We have long known that the costs of incarcerating offenders are high, and that these costs have increased over the years. Along with these increased costs, there has been a substantial increase in the penitentiary and prison populations in recent years. The effect has been serious overcrowding in many Canadian jurisdictions, one result of which has been the introduction of double-bunking (i.e., housing two inmates in a cell designed for one) in Canadian penitentiaries. In view of the enormous cost of building new facilities, and amidst serious doubts about the effectiveness of incarceration as a response to crime, there is considerable pressure to seek ways of reducing the growth in penitentiary and prison populations. Indeed, the principle that incarceration be used as a last resort has gained broad acceptance in current criminal justice thinking, and there has been a major thrust to develop community-based alternatives to incarceration. These alternative sanctions for those offenders who do not pose a danger to society are intended to meet the goals of criminal justice at lower financial and human costs than those incurred by incarceration. In sorting out these policy issues, costs clearly cannot be ignored. Perhaps the most important contribution of this article is that it seeks to sort out the conceptual confusions which have produced varied and conflicting statements about the costs of incarceration.

The final article focuses on the costs of crime to victims, who have all too often been ignored in such assessments. We have only recently collected data on the costs of crime to victims as we have only recently become sensitized to their needs. The data presented in this article are drawn from the Canadian Urban Victimization Survey conducted by the Ministry with the assistance of Statistics Canada. Many of these findings are being published for the first time.

These articles offer our best estimates of some aspects of the costs of crime. We hope they will underscore the importance of the questions and encourage the work necessary to begin providing more refined answers.

✓ Criminal Justice Spending in Canada: Recent Trends

DONALD J. DEMERS

Policy Branch*

The Canadian criminal justice system has undergone striking changes in the last twenty years, changes reflected in increased justice spending. This is evident in the dramatic rise in the *absolute* level of public sector spending for criminal justice administration. Financial management data compiled annually by Statistics Canada indicate that total federal, provincial/territorial, and municipal expenditures for crime control increased more than 1200 per cent — from slightly less than \$300 million in 1961 to nearly \$4 billion in 1980. Such numbers in themselves are meaningless without a comparative perspective.

The purpose of this paper is to describe recent trends in public sector spending for criminal justice in Canada, to identify factors associated with the rise in these expenditures; and to speculate on future developments. Conceptual ambiguities and data inconsistencies, however, permit only general inferences to be drawn with respect to criminal justice spending trends.

National Trends

As indicated in Table 1, the federal, provincial/territorial, and local governments exhibited remarkably similar criminal justice spending patterns during the 1960s and 1970s. At each level of government, gross expenditures for police protection, correctional services, and courts of law (see glossary for definitions) rose uninterruptedly, with the annual rate of growth becoming particularly pronounced in the mid-1970s. During the twenty-year period under consideration, each level of government increased its spending for criminal justice purposes by approximately \$1 billion.

* Based on "Criminal Justice Expenditures in Canada: An Examination of Recent Trends", a study completed while the author was a member of the Research Division.

TABLE 1

Federal, Provincial/Territorial, and Local Spending
for Criminal Justice
(Millions)

YEAR*	FEDERAL	PROVINCIAL	LOCAL	TOTAL
1961	80	105	108	293
1966	173	202	173	548
1971	309	407	350	1,066
1976	770	942	842	2,554
1979	1,031	1,168	1,095	3,294
1980	1,204	1,353	1,267	3,824

* Federal and provincial/territorial expenditures are reported per fiscal year. Local spending is reported on a calendar year basis.

Source: Statistics Canada, Federal Government Finance, annual (Catalogue # 68-211); Provincial Government Finance, annual (Catalogue # 68-207); Local Government Finance - Actual, annual, (Catalogue # 68-204).

Federal Trends

Table 2 reveals surprisingly little variation in the proportional distribution of federal expenditures for justice services with police-related costs accounting for the largest portion of the annual criminal justice budget. From 1961 to 1980, the federal sector devoted roughly 60% of the annual criminal justice budget to the RCMP, 30% to The Correctional Service of Canada and the National Parole Board, and 10% to courts of law.

Provincial/Territorial Trends

By comparison, provincial/territorial expenditures were divided more evenly among the major criminal justice components (Table 3). Nearly one-third of their annual justice budgets were allocated to courts of law because the provinces are responsible for all court-related costs excluding the salaries of appeal and superior court judges and the costs generated by the Federal and Supreme Courts of Canada. Provincial spending on police consumed an increasing portion of provincial resources devoted to criminal justice.

Local Trends

Virtually all of the local expenditures for crime control were allocated to law enforcement (Table 4). Local governments spent as much on policing as the federal and provincial sectors combined. Local spending for courts was minimal and correctional expenditures were virtually nonexistent as Nova Scotia is the only province where municipalities fund correctional facilities.

In summary, the recent growth in Canadian criminal justice costs cannot be attributed to disproportionate increases in spending by the federal,

TABLE 2

Federal Spending for Criminal Justice
(Millions)

YEAR*	COURTS	%	CORRECTIONS	%	POLICE	%
1961-62	8	10	23	29	49	61
1966-67	13	8	58	34	101	59
1971-72	29	9	81	26	199	64
1976-77**	75	10	225	29	470	61
1979-80	53	5	333	32	645	63
1980-81	70	6	401	33	733	61

* Fiscal years

** From 1977-78 onward, Statistics Canada has narrowed the definition of courts of law which resulted in a discontinuity for the series.

Source: Statistics Canada, Federal Government Finance, annual (Catalogue # 68-211).

TABLE 3

Provincial/Territorial Spending for Criminal Justice
(Millions)

YEAR*	COURTS	%	CORRECTIONS	%	POLICE	%
1961-62	29	28	41	40	34	33
1966-67	52	26	71	35	79	39
1971-72	120	30	128	32	159	39
1976-77	254	27	309	33	378	40
1979-80	294	25	359	31	515	44
1980-81	365	27	410	30	578	43

* Fiscal years

Source: Statistics Canada, Provincial Government Finance, annual, (Catalogue # 68-207).

provincial, or local levels of government; to a disproportionate increase in spending for any one of the major criminal justice services; or, to a significant transfer of resources from one justice service to another. Rather, the trend is characteristic of a general "across-the-board" rise in spending for criminal justice administration across Canada.

TABLE 4

Local Spending for Criminal Justice
(Millions)

YEAR*	COURTS AND CORRECTIONS	%	POLICE	%
1961**	—		—	
1966	—		—	
1971	13	4	337	96
1976	17	2	825	98
1979	21	2	1,074	98
1980	28	2	1,240	98

* Calendar years

** Disaggregated data unavailable prior to 1971.

Source: Statistics Canada, Local Government Finance, annual, (Catalogue # 68-204).

International Trends

International comparisons of criminal justice costs are hampered by the scarcity of readily accessible information and, in particular, by data comparability problems due to monetary and jurisdictional differences. Notwithstanding these caveats, Table 5 suggests that the recent increments in crime control costs were by no means restricted to this country. Although the factors responsible for the respective increases cannot be identified, the recent growth in Canadian spending for criminal justice parallels the experience of a number of industrialized western countries.

Factors Associated with the Increase in Criminal Justice Spending

A clearer indication of the relative growth in justice-related expenditures can be found in Table 6, which suggests that the spending increments were not restricted to the spending as a whole. However, although criminal justice continued to represent a very small fraction of total government expenditure, justice-related spending grew more rapidly than overall public sector costs in the 1960s and 1970s and consumed a somewhat larger share of fiscal resources. The "real" growth can be attributed, in part, to the expansion and diversification of criminal justice personnel, facilities, and services. At the federal level, for example, the number of RCMP personnel increased due to the expansion of contract policing services to the provinces and municipalities, the intensification of drug enforcement efforts, and the change from a six to a five-day work week. The RCMP also took on new responsibilities: airport and native policing, new crime analysis laboratories, the CPIC computer system, and the Canadian Police College. During this period, The

TABLE 5
Criminal Justice Spending — Selected Countries
(Millions)

YEAR	BRITAIN* (pounds)	FRANCE (francs)	U.S.A.** (dollars)	CANADA*** (dollars)
1971	615	1,560	10,517	1,020
1972	690	1,770	11,732	1,187
1973	830	1,966	13,007	1,412
1974	1,062	2,363	14,842	1,726
1975	1,397	3,038	17,249	2,091
1976	1,730	3,732	19,681	2,446
1977	1,807	4,199	21,547	2,746
% increase	201	169	105	169

* The aggregate British figures include the expenditures of police, prisons, law courts, as well as, the operation of parliament, however, exclude transfer payments between the central government and local authorities.

** excludes transfer payments.

*** excludes RCMP contract policing revenue.

Source: Central Statistical Office, Annual Abstract of Statistics 1982, Great Britain; Statistics Canada, Federal Government Finance, Provincial Government Finance, Local Government Finance, annual; Department of Justice and Bureau of the Census, Trends in Expenditure and Employment Data for the Criminal Justice System, Government Printing Office, Washington, D.C.; Correspondence with the Services D'Etudes Pénales et Criminologiques, France.

Correctional Service of Canada substantially increased and staffed facilities for the detention of inmates. Penitentiary construction programs increased the number of federal institutions from nine maximum security facilities in 1958 to approximately sixty maximum, medium and minimum security penitentiaries in 1979, including special handling units, regional psychiatric centres, and community correctional services. Finally, parole services expanded geographically with the opening of new offices across Canada and the regionalization of the National Parole Board.

In addition, a substantial portion of the increment in the relative level of criminal justice spending can be attributed to inflation. Had there been no increase in the level of justice services between 1961 and 1980, spending would have increased by 75% nevertheless. Inflation, i.e., the relative price effect, erodes the purchasing power of the dollar and thereby raises the prices of goods and services. It costs more to do the same things. Public sector spending must increase merely to maintain a constant level of services to the public. Given that the criminal justice system is highly labour-intensive, its expenditures will be severely affected by inflation. As employee wages

TABLE 6
Criminal Justice Spending as a Proportion
of Total Public Sector Expenditure*
(Millions)

YEAR	CRIMINAL JUSTICE**	TOTAL PUBLIC SECTOR EXPENDITURES	%
1961	293	13,215	2.2
1966	548	21,015	2.6
1971	1,066	41,877	2.5
1976	2,554	91,748	2.8
1979	3,294	129,131	2.6
1980	3,824	148,237	2.6
% increase	1205	1022	

* Expenditure by all levels of Government for all purposes including transfers of various types, hospitals, as well as Canada and Quebec Pension Plans.

** Total, gross expenditures by federal, provincial/territorial, and local governments.

Source: Statistics Canada, Federal Government Finance, annual; Provincial Government Finance, annual; Local Government Finance, annual; Gross National Product Division, System of National Accounts Branch, Catalogue 13-201.

and salaries increase, the relative price of labour purchased by the public sector rises without a concomitant increment in productivity.

Table 7 illustrates the impact of inflation on criminal justice expenditure. If we correct for inflation, increases in crime control costs are reduced from 1231% in "current" dollars to 342% in "constant" dollars. Inflation thus accounts for nearly three-quarters of the recent growth in spending for criminal justice purposes.

Criminal justice spending follows the pattern of significant increases in public sector spending as a whole. However, the growth rate of criminal justice expenditures exceeded that of total government funding due to the enhancement of the justice system and the pronounced effect of inflationary forces on a labour-intensive delivery system.

What Does the Future Hold?

While it is always hazardous to speculate about future developments, economic and political indicators would appear to signal the end of an era of virtually uninterrupted expansion in the public sector. All levels of govern-

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Costs of Municipal Police Services

GERALD WOODS

Director, Research Division

As noted by Demers, expenditures for the justice system by Canadian federal, provincial and municipal governments rose by about 1336%, in current dollars, between 1961 and 1980. In 1980, policing alone accounted for about 62% of the federal budget for justice, about 35% at the provincial level and about 97% at the municipal level. In sum, Canadian governments in 1980 spent more than \$2.115 billion dollars to provide police services.

To complement Demers' system-wide inquiry, a twenty-year survey of municipal police costs in twenty cities was proposed, beginning with a pilot study of one municipal force of 750-1100 officers*. The period chosen for the study, 1961-1981, provides an illustration of the rapid rise in spending for municipal law enforcement. The pilot study was directed to an analysis of the growth of police expenditures (for a twenty-city study) through the examination of annual budgets, personnel statistics, population statistics, rates of police per 1,000 residents, gross national product, consumer price indices, and real estate and business tax rates.

Four questions were posed:

- how much have municipal police costs risen during the period 1961-1981;
- what factors caused the increase;
- was the increase proportionate to increases in other indicators such as the municipal budget, the Gross National Product, the Consumer Price Index, etc.;
- did the proportion of the municipal budget allocated to police services undergo an increase different in magnitude from other comparable municipal budget items?

* Municipal officials asked that the city not be identified.

END