

## Editors' Introduction

*When economics addresses issues of crime and punishment it works from the choices that reasoning individuals make between criminal and non-criminal courses of action, choices informed by predictions of the likely merits and demerits of available alternatives. Crimes are signs of the output of such decision-making processes. Society's effort to regulate crime registers as attempts to change elements of the mechanism of allocative choice. The costs of crime (e.g. risk of apprehension) may be increased or the benefits of crimes (e.g. the value of stolen goods) may be reduced. In this first section we focus on economic understandings of crime and punishment based on extrapolation from individual decision-making.*

*Economists capture these decision processes by expressing them in formal mathematical models. For those whose disciplinary background is less apt to employ formal models it is important to say two things. First, the same key postulates have been built upon by successive writers, so that a little effort to understand the models will go a long way. Second, economists are aware that the key elements of the basic models do not capture all there is to say about decisions to commit crime and/or the impact of punishment, and have sought to build in elements which capture some of the perspectives of other disciplines. There is reason for economists to feel reasonably confident about the validity of the basic assumptions of rational individuals weighing costs and benefits before choosing courses of action, but anyone developing a formal model will want it to account as fully for the phenomenon as possible. Here that means being alert to factors which may not appear instrumental, and being aware of the varying analytic purchase of models according to type of criminal behaviour.*

*Our first chapter undoubtedly represents a seminal contribution to the economic approach to crime and punishment. Gary Becker takes as his starting point the fact that enforcement varies greatly between different laws. Becker asks: what level of resources and how much punishment should be used to enforce different laws? These questions are addressed by formulating a measure of the social loss caused by offences and identifying punishments which minimise such loss while taking account of the costs of punishment. Becker's conception of social loss addresses criteria of vengeance, deterrence, compensation and rehabilitation. Becker's model places in relation the cost of*

*apprehending and convicting offenders, types of punishment, and the responses offenders make to changes in enforcement.*

Becker's approach gives short shrift to criminological theories of aetiology, by treating criminal behaviour as part of the more general economic theory of rational choice, where it is assumed that people will commit crimes if the expected utility exceeds the utility that could be realised by other activities. Becker's view that criminals are no different from the law-abiding in their basic motivations does not close the matter but it does allow us to construct models that test the extent to which criminal behaviour and punishment can be understood without recourse to what Becker calls the 'special' or 'ad hoc' concepts of criminology.

An example is the widespread observation that offenders seem more responsive to changes in the probability of apprehension than in the severity of punishment. Becker notes that criminology has little to say theoretically about why this should be. Becker's expected-utility approach suggests offenders are 'risk preferrers' (rather than being risk averse). The merit of his model is that it shows why this should be so. Why offenders are 'risk preferrers' in the first place (which Becker sees as a matter of 'attitude' and ineluctable using the tools of economics) or why they gravitate to this form of risk-taking is a matter the economic model cannot resolve. But joint efforts may add value, economists showing that the utility mechanism works if offenders are seen as risk preferrers and criminologists identifying, for example, the psychology of risk preferences and the sociological processes by which such preferences are confirmed in groups organised around risk-taking.