

STATE UNIVERSITY OF NEW YORK
COLLEGE OF TECHNOLOGY
CANTON, NEW YORK



COURSE OUTLINE

ECON 305- ECONOMICS OF CRIME

Prepared By: Dr. Edouard Mafoua and Dr. Brian Harte

SCHOOL OF BUSINESS AND LIBERAL ARTS
BUSINESS DEPARTMENT

April 2015

- A. TITLE: Economics of Crime
- B. COURSE NUMBER: ECON 305
- C. CREDIT HOURS: 3
- D. WRITING INTENSIVE COURSE: No
- E. COURSE LENGTH: 15 weeks
- F. SEMESTER(S) OFFERED: **Fall or Spring**
- G. HOURS OF LECTURE, LABORATORY, RECITATION, TUTORIAL, ACTIVITY:
3 lecture hours per week
- H. CATALOG DESCRIPTION:
This course examines the behavior of criminals and use economic concepts to analyze crimes of violence, crimes against property, and the markets for illegal goods and services. Topics to be covered include costs of crime to society and its various stakeholders, prostitution and drug crimes, issue of decriminalization and legalization, allocation of resources to and within the criminal justice system, crime prevention strategies, and efficiency and effectiveness of the use of punishment as a form of crime deterrence. In addition, it uses an economic understanding of crime and crime behavior to develop public policy options.
- I. PRE-REQUISITES:
Principles of Macroeconomics (ECON 101) or Principles of Microeconomics (ECON 103) and a minimum 45 credit hours, or permission of instructor.
- J. STUDENT LEARNING OUTCOMES: Students will be able to:

Course Objective	Institutional SLO
a. Discuss the impacts of crime on the economy and its various stakeholders	1. Communication 2. Crit. Thinking 3. Prof. Competence 4. Inter-Intra Pers. Skills
b. Calculate the economic costs and benefits of crime within the U.S.	2. Crit. Thinking 3. Prof. Competence
c. Analyze and evaluate empirical research findings relating to the economics of crime	2. Crit. Thinking 3. Prof. Competence
d. Discuss the world and U.S. drug markets, including post-Taliban Afghanistan and the heroin market	1. Communication 2. Crit. Thinking 3. Prof. Competence 4. Inter-Intra Pers. Skills
e. Compare and contrast the effectiveness of social and legal policies in preventing and deterring crime	2. Crit. Thinking 3. Prof. Competence
f. Analyze the effectiveness of crime reduction strategies	2. Crit. Thinking 3. Prof. Competence
g. Describe the effectiveness of prevention strategies aimed	1. Communication

at reducing crime	2. Crit. Thinking 3. Prof. Competence
h. Evaluate the effectiveness of punishment in deterring criminal behavior	1. Communication 2. Crit. Thinking 3. Prof. Competence

K. TEXTS: As determined by instructor. Current possible texts include:

Hellman, D. A. and N. O. Alper. (2006). *Economics of Crime: Theory and Practice*. 6/e, Pearson Custom Publishing.

Winter, H. (2008). *The Economics of Crime: An Introduction to Rational Crime Analysis*. New York, NY: Routeledge.

L. REFERENCES:

Becker, G. S. (1968). "Crime and Punishment: An Economic Approach." *Journal of Political Economy*, 76(2), 169-217.

Becsi, Z. (1999). "Economics and Crime in the United States." *Economic Review*, 1, 38-56.

Chen, M. K., and J.M. Shapiro. (2006). "Does Prison Harden Inmates? A Discontinuity-Based Approach." Cowles Foundation Discussion Paper No. 1450.

Di Tella, R. and E. Schargrodsy. (2004). "Do Police Reduce Crime: Estimates using the Allocation of Police Forces after a Terrorist Attack." *American Economic Review*, 94(1), 115-133.

Kessler, D. and S. Levitt. (1999). "Using Sentencing Enhancements to Distinguish Between Deterrence and Incapacitation." *Journal of Law and Economics*, 42, 343-363.

Klick, J. and A. Tabarrok. (2005). "Using Terror Alert Levels to Estimate the Effect of Police on Crime." *Journal of Law and Economics*, 48, 267-279.

Levitt, S. D. (1997). "Using Electoral Cycles in Police Hiring to Estimate the Effect of Police on Crime." *American Economic Review*, 87(3), 270-290.

M. EQUIPMENT: Technological enhanced classroom.

N. GRADING METHOD: A-F

O. MEASUREMENT CRITERIA/METHODS:

Case studies analysis, class participation and presentation, research paper, quizzes, tests, essays, and/or exams.

P. DETAILED COURSE OUTLINE:

ECON 305 – ECONOMICS OF CRIME

- I. Introduction to the Economics of Crime
 - A. FBI Index Crimes
 - B. Recent Trends in the Amount of Crime
 - C. Victimization Surveys
 - D. International Crime

- II. Economic Concepts and Evaluation Techniques
 - A. Macroeconomic Concepts applied to Economics of Crime
 - B. Microeconomic Concepts applied to Economics of Crime
 - C. Empirical Analysis in Economics
 - D. Fundamentals of Cost-Benefit Analysis

- III. Economic Impact of Criminal Activity
 - A. Costs Estimation of Individual Criminal Victimizations
 - B. Impacts Analysis
 - C. Distribution of the Costs of Crime
 - D. Distribution Analysis of Costs: Supply and Demand Framework

- IV. Economic Model of Criminal Behavior
 - A. Microeconomic Model of Criminal Behavior
 - B. Supply Curve for Crime and Technological Change
 - C. Macroeconomic Explanations of Criminal Behavior
 - D. Marxian Model of Criminal Behavior

- V. Optimal Allocation of Criminal Justice Resources
 - A. Optimum Amount and Mix of Crime
 - B. Marginal Benefits and Marginal Costs of Crime Prevention
 - C. Optimum Allocation over Neighborhoods
 - D. Optimum Allocation within Courts and Corrections

- VI. Economics of Crime against Property
 - A. Impacts on Market Prices and Outputs
 - B. Impacts on the Public Sector
 - C. Market for Stolen Property
 - D. White Collar Crime

- VII. Economics of Crime against Persons
 - A. The Market for Murder
 - B. Irrational Murder
 - C. Murder and the Business Cycle
 - D. Aggravated Assault, Forcible Rape, and Juvenile Crime

- VIII. Economic Crimes without Victims
 - A. Negative Externalities

- B. Opportunity Costs
 - C. Criminal Justice Costs
 - D. Market for an Economic Bad
- IX. Economics of Heroin and Cocaine
- A. History of Heroin and Cocaine in the U.S.
 - B. Heroin and Cocaine Production and Consumption
 - C. Structure of Heroin and Cocaine Industries
 - D. Market Characteristics of Heroin and Cocaine
- X. Economics of Organized Crime
- A. Diversification and Change
 - B. Economic Costs of Organized Crime
 - C. Economic Analysis of Organized Crime
 - D. Strategies for Fighting Organized Crimes
- XI. Public Policy Options
- A. Public Policy toward Crimes against Property
 - B. Public Policy to Reduce the Amount of Murder
 - C. Public Policy toward Crimes without Victims
 - D. Public Policy toward the Market of Illegal Drugs
- XII. Crime Deterrence and Punishment
- A. Efficient Punishment and Fines
 - B. Prison and Crime Deterrence
 - C. Death Penalty and Crime Deterrence
 - D. Private Crime Deterrence