

Economics 382: The Economics of Crime

Mr. Easton

First Assignment for 382: due in tutorial in week 4.

1. In the first lectures you have had an opportunity to see a variety of data characterizing aspects of crime in Canada. What do you think are five of the important questions that should be asked by students of crime?
2. Choose one of these questions and discuss: a) the theory would help you devise an answer to the question, and b) suggest the data that would you need to help answer the question? You do not have to gather the data. You just need to suggest what data might be useful to answer the question in the context of your theory and explain why these data are useful.

For example (although you should choose a different example):

The rate of motor vehicle theft has been falling since 1996. Thinking about supply and demand for crime we might ask whether the cars getting harder to steal (the opportunity cost of this crime is rising), or is there just a fall in the overall rate of crime (fewer criminals) of which this is just one category? We can start to answer that question by:

- (1) Looking at the overall fall in the crime rate (not including auto theft) to see if auto theft is falling faster;
- (2) Looking at the pattern of auto theft to see when things like immobilizers and various kinds of theft hardening innovations were introduced by manufacturers.
- (3) We can also age the fleet of cars to see if the fall in theft reflects the innovations in new cars that harden them to theft.
- (4) Do young people tend to be more involved in auto thefts? If so, has there been a change in their participation in crime? Is there an change in demography that might account for fewer thefts?
- (5) Have the penalties for auto theft changed?

You would then need to link the data with the theory.

- (1) If all crime is falling at the same rate as autothefts, then the fall is unlikely to be related to something specific in the automobile industry.
- (2) If autotheft is falling differently than crime generally, then it may be that dating immobilizers will tell us when. It raises the cost of theft.
- (3) We can look at the rate at which the fleet ages with the new technology to see if there is evidence of accumulating protection. The rate at which theft would be diminished.
- (4) What are the demographics? Fewer young men probably means fewer thefts.
- (5) Have police tactics or penalties changed? Increase in the opportunity cost of theft.