

Budgeting of police in the context of “crime cost”: some consistent patterns and conclusions

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Abstract. Scientific substantiation of the financial costs of maintaining law enforcement agencies and law enforcement activities, based on Western and domestic experience, is needed to Kazakhstan for both legislative and law enforcement practices. The article substantiates the improvement of indicators of the country's political regime, the rule of law and the status of business environment depending on the numerical strength of the police. The author presents the analysis of foreign experience in determining direct and indirect costs in connection with the maintenance of law enforcement agencies, and in particular, the police agency in the Republic of Kazakhstan. Author makes attempt to examine the key parameters of police budgeting using the methods of criminological analysis and forecasting, which are the most challenging methods used in criminological science.

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Introduction

Many exciting works on the social consequences of crime have been written by foreign and domestic criminologists. The problem on cost of crime takes a special place in the variety of most urgent and important multidimensional problems.

As known, one of the pioneers in study of this phenomenon was an American researcher M. Cohen, who considered the cost of crime based on the account not only the direct economic damage in each criminal case, but the cost of other state expenditures on the provision of the crime prevention [1].

Russian criminologists explain the relevance of this problem, first of all, by the need to study the direct and indirect losses from crime, as well as its social significance and the evident lack of development. The choice of solutions in the field of criminal policy and the definition of the real needs of the state to effectively prevent crime depends on the realization of this fact [2, 90]. In Kazakhstan's criminology, with a few exceptions [3], the scientists refer the problem on cost of crime neither to a priority issue nor to an optional one in the long list of criminological problems.

In this context, the primary task of criminological science should be the development of scientific bases to determine the required state expenses in order to ensure the safety and functionality of law enforcement agencies, particularly, the police, taking into account crime patterns and global trends of its economic impacts on the state and society. Lack of scientific research and evidence-based costs on maintenance of both police and its individual structures, determination of the necessary funds to maintain public order in the cities

and towns causes their low efficiency in analysis, forecasting and management.

Main part

At the present stage of development of criminal sciences, criminology, especially in the West, pays considerable attention to the study of the criminality cost to society, as well as crime cost in general and other related aspects [4, 170-196]. Criminology is mainly focused on improving the law enforcement efficiency and on maximum productivity in terms of practice. Analysis of Western economic and legal literature confirms this point of view and in terms of practical viewpoint we support above stated position as well. In support of this thesis, we present some figures. In one of the reports on crime in Italy it was noted that the revenue of just mafia, having a reputation of the largest business owner in the country, was estimated at 127 billion dollars a year or 7% of the national GDP [5, 6].

Let make an attempt to identify the main problems, directly or indirectly arising from the problems on cost of crime, employing the analysis of economic and criminological literature and statistical information. Similarly to above sited American scholar M. Cohen [7, 537-556], another American scientist Robert G. Hann also associates the problem of crime and its cost with economic approach [8].

To be fair, it should be noted that the various aspects of this multidimensional problem are investigated abroad not only by individual scientists [9], but the whole research teams. Many theses researches [10, 9] and comprehensive reports [4,170-196] have been written, as well as a number of scientific and theoretical conferences were devoted to this problem.

Results of scientific understanding of these problems are turned into solid recommendations for country leaders [11], law enforcement agencies [12], as well as a kind of calculating tools are developed [13].

Crimes involve significant costs to society at the individual, community and national levels. In the USA, for example, in 2007 there were more than 23 million crimes, resulting in economic losses of crime victims, which totaled to 15 billion dollars, and 179 billion dollars of public spending on police protection, judicial and legal activities [14]. Therefore developed programs include crime prevention, and generate significant economic benefits by reducing crime-related costs incurred by the victims, as well as a state in whole to maintain the legal system [15].

We believe that no less important and pragmatic theme in the study of cost problem as a whole, is the problem related to maintenance of repressive machinery, its financing, studying the formation and budget justification of police structures in the whole country, as well as in the regions.

Most scientists associate this problem with crime. It is believed that despite the complexity of the relationship between crime rate and the numerical strength of the police no direct correlation between decline in crime and the police strength is observed. See if we agree with this statement or disprove it, using analysis of publications on this issue, and advert to international data of the national statistical services, the national finance ministries, as well as the European statistical agency and the UN statistical service [16].

According to many experts, here the main indicators or criteria are the following: a number of police officers per 100 thousand inhabitants, budget expenditure per police officer, as well as a share of country's GDP spent to ensure the safety functions of the state. In foreign countries, the problem of budget allocations is associated with the ratio of crimes, police officers and the judges [17, 99-124].

When analyzing the first indicator we find that Kazakhstan is tripled ahead of post-Soviet countries, but falls far short of Western and Eastern European countries. Given that the crime rate per 100 thousand of population in Kazakhstan is 2116 at the total number of recorded crimes equal to 359,844, we obtain that in Kazakhstan 3.59 crimes take place per police officer per year, whereas in Russia this figure is 1.4, in Turkey 1.7, and the European average is 8.9. In Finland it equals to 64.9, in Sweden – 52.5, in England and Wales – 41.7, in the USA – 34.9, in France – 30.3, and in Germany – 26.1 [16, 7].

Kazakhstan was the first among the CIS countries to establish order in the records inspection, creating an independent registration service of

criminal manifestations. Therefore in terms of the number of crimes per 100 thousand inhabitants, Kazakhstan looks pretty decent even in comparison to Western countries. For example, to grasp the overall picture of crime, let compare Kazakhstan with North Rhine-Westphalia (Germany) having similar population density, where with a population of 18 million people (about 17 million in Kazakhstan) more than 1.4 million crimes are recorded each year.

In general, when assessing the crime rate per 100 thousand inhabitants, in Kazakhstan in 2013 this number amounted to 2116 crimes per 359 thousand people. In Russia, about 2,500 crimes are recorded per 100 thousand population (this is despite the fact that crimes in Russia are often concealed) that is twice less than in France (5000), three times less than in Germany (7500), and 1.5 times less than in the Czech Republic (3750) [18].

But when exploring the underlying causes, we reveal that the low level of recorded crime is caused by not nearly the numerical strength of the police in these countries and the effectiveness of their work.

When considering the indicator, such as the number of crimes per judge per year, Kazakhstan appears slightly ahead of European countries with this figure equal to 200, as well as Russia (209), Italy (261.2), and Spain (269). In Kazakhstan every seventh or eighth of registered offenses is raised to judge, whereas in the USA this figure is just one out of five. Similar pattern is observed in other countries. This is associated primarily with the manipulations on the crime registrations and their high latency. Proceeding from the real criminality, we should note that the judges have to deal with no more than 13-15% of the actual crimes committed.

In Kazakhstan, as in Russia, it is argued at all levels that there are not enough number of judges, and that in terms of this indicator the country is at the lowest level among not only Western countries but also its neighbor states, if taking this indicator per 100 thousand population. Although in recent years the number of judges has increased several times and the increase still continues. Though if we compare the recorded crime rate to the number of judges involved in judicial trials, in Kazakhstan, for example, a judge has to act for the 200-210 recorded crimes, or 27-30 crimes with a judicial perspective, whereas in Russia this figure is equal to 43 and 12-15, respectively. In the USA, for example, where virtually no preliminary investigation is plasticized, and the court takes judgments on a lot more issues than in Kazakhstan, one judge has to deal with 816 offences, in England and Wales, where there is no holistic penal code and a significant part of the crime preventions is held on judicial precedents, this figure is 1570. It is obvious

that the difference is 20-36 times. And if compared to China, this figure increases by 90-170 times [17, 122-123].

In Kazakhstan, the load in the first instance courts has grown over the past four years by an average of 38 to 56 cases per month per judge, not to mention the fact that the number of cases increases every year by 10% [19].

Now let us consider the ratio of police officers per 100 thousand inhabitants. In other words, we find out which country has a larger state security forces. If the average world indicator is 300 police officers per 100 thousand inhabitants, in developed and middle-income countries, the figure is 200-450 officers. In Kazakhstan, the number of police officers is within the range of 170-180. Russian police, one of the largest in Europe and the world, numbers more than 782 thousand officers, or 546 officers per 100 thousand inhabitants (data of 2013). For example, similar figure in Spain is 505, in Italy 411, and in Turkey 484 [20].

Among the CIS countries, just the police in Belarus are more numerous than that in Russia, and amounts 900 officers per 100 thousand inhabitants [21]. Leading countries in Eastern Europe are Latvia and Lithuania (195 and 325 police officers, respectively). As is obvious, Kazakhstan occupies a modest "middle" place having 175 police officers (data of 2013). However, these countries are significantly behind the CIS "champion countries" [16, 11].

Further we consider how countries finance their state security forces. We see a clear pattern: the countries where a number of police officers per 100 thousand inhabitants is the highest, do not strive to pay well for their job. It would be logical to assume that Belarus, Russia and Kazakhstan, where a number of police officers is the greatest, spend a lot of budget money for their maintenance. Tough it is not the case. Budget expenditures per one police officer in middle-income countries change from 25.3 (Bulgaria) to 80.2 (Estonia) thousand dollars. In Russia, this figure is 20.4 thousand dollars, whereas in developed countries this figure ranges from 74.2 (France) to 247.2 (Norway) thousand dollars. In Kazakhstan, these costs add up to 16700 dollars. As for other CIS countries, we have the following: 12874 thousand dollars in Ukraine, 6801 – in Belarus, 10486 – in Moldova, 14667 – in Azerbaijan, 16428 – in Georgia, and 2476 – Uzbekistan. This figure in CIS countries makes up on the average 13,078 dollars. Funding of police officers in East European countries differs by several times making up in general 54,204 dollars [20, 9].

Another indicator is the proportion of the expenditure on law enforcement agencies maintenance in the national GDP. In general,

Kazakhstan spends up to 4.2-5% of GDP on security functions that includes the costs spent on the police (including financial police), the courts, and the penal settings [21]. In highly and moderately developed countries this indicator ranges from 0.5% to 1.6%. There are some other figures close to the indicated one. Thus, the cost of law enforcement as a share of GDP in the CIS countries is on average 2.39 %, in Eastern Europe – 2.15%, and 2.28% on the average [22; 23].

In Western countries, for example, in the Netherlands, the costs of crime prevention in 2005 are estimated at 20.2 billion euros, or about 4.1% of GDP [24]. On average, the CIS countries provide their own security at 2.39% of GDP, Eastern Europe—at 2.15%. Conducting country-based analysis, we reveal that in Belarus these costs make up 2.04%, in Russia—2.48%, in Moldova—3.28%, in Georgia—3.81%, in Kazakhstan—4.2, in Latvia—2.63 % of country's GDP. It turns out that among the CIS countries the lowest number of law enforcement personnel is in Kazakhstan, Georgia and Moldova. Despite the fact that Kazakhstan has the largest GDP, we note that the police in Georgia and Moldova are paid better than in Kazakhstan, Russia and Belarus, which, in principle, are not the poorest CIS countries. Good example of the proportionality between the numerical strength of the law enforcement agencies and cost of their maintenance is Latvia with an indicator of its spending on law enforcers equal to 2.63% of GDP. This can be noted for all the countries of Eastern Europe, subjected to analysis. We should probably agree with researchers from St. Petersburg that the relationship between a number of police officers and their funding is mostly reversed. Those countries, where a number of police officers or militiamen are large, spend the funds for maintenance of their state security personnel much less than others. Whereas conversely, in the countries, where a number of law enforcement officers is the lowest (Georgia and Moldova), the personnel is supported quite generously [16, 7]. It should be noted here that, as a rule, in most countries the costs spent on police ranges from 45% to 60% of all spending on law enforcement activity [25, 12].

All the above figures and information in one way or another indicate completely different views and beliefs of scientists and experts on police financing issues. One can agree with the views that the good police officer is expensive, as well as a proper public order should be funded accordingly. Thoughtful arrangements for various summits and high-level meetings, as well the Olympic Games and other cultural and sporting events serve a goof example. Countries do not spare money to finance them beforehand laying huge sums in annual budgets to ensure safety functions. For example, in various

states in the USA the problems of police funding attract dozens of professionals who prepare special proposals and reports [26].

However, we should also note a tendency that the high concentration of police forces in the country does not always justify its purpose, and in some cases is a hindrance to democratic reforms. International organizations regularly publish information on such indices as "Legal (political) regime" and "Rule of law" for each country that show the degree of citizens' legal protection. These data indicate that "citizens feel free and protected where a number of police officers is not large, but the state does not save on their maintenance". As for the CIS countries the noted indices are the highest in Georgia and Moldova, where civil liberties are considered high. The laws are observed there very consistently, and citizens can be confident in the rule of law [16, 27]. We believe that one should agree with the conclusion that if the number of police officers is small, though worthy means are allocated to ensure their services, there should be no problems with democracy. In these countries citizens believe in the rule of law and that the mechanisms of its application are transparent and understandable, being the same for everybody [22].

There is another interesting opinion regarding the impact of the «cost of police» on the democratic processes in the country. It is noted that "business feels better if the state security agencies are not experiencing financial problems and do not interfere" [21]. This is testified by the World Bank data, which ascertains the assessment of the business environment in the CIS and Eastern Europe countries. Figure, such as the "Quality of business environment" shows how the conditions in a particular country are comfortable for business. And again, Georgia followed by Moldova lead in the CIS countries. The worst business environment, as compared to Eastern Europe countries, was noted in Belarus, Uzbekistan, Kazakhstan, Russia, Azerbaijan and Ukraine. The authors of the current study identified a clear pattern: "the better is financial provision of law enforcement bodies the more efficient is business environment and its development" [16; 22].

However, these indices and indicators are not considered in the budgeting of law enforcement agencies in some CIS countries such as Kazakhstan, Turkmenistan, Azerbaijan and Russia; these countries have their own strategy, consisting in reduction of the numerical strength, though not increasing funding. There are two reasons for doing that. First, if the number of employees at the Interior Ministry will be reduced, though funding will remain the same, then the cost per employee will grow nevertheless. The second reason is that the budget of these countries is

largely dependent on the export of hydrocarbons that makes incremental funding of state security officers useless. This is indicated by the data obtained by researchers after applying indicators of oil exports. Revenues from exports constitute a fair share of GDP for Kazakhstan either [22].

Final part

In our opinion, it is essential to be critical of some publications, favorable to those or other heads of law enforcement agencies, as well as statistics on recorded crime and the data on the budgeting of law enforcement agencies. Reducing the number of police officers and the employees of other law enforcement agencies or their extension does not always lead to improvement in the business climate and the democratic foundations of the state. Expensiveness of police structures is not a guarantee of stability and security of the country and in some cases even prevents the development of democracy.

Conclusions

In the future, it is necessary to establish in Kazakhstan a research team of experts to develop appropriate tools in order to explore the views of experts and the specialists regarding to reasoned proposals on adequate funding of the police.

It is necessary to continue studying the domestic and foreign experience in legislative regulation determining the cost of crime, and the spending on the maintenance of law enforcement authorities as part of crime cost structure.

Putting forth, justifying and asserting the idea of a competent analysis of the police budgeting processes we believe it necessary to develop evidence-based guidelines for the budget committees of the government, parliament, and financial offices of the law enforcement agencies.

The performed analysis calls for the preparation of proposals for amendments and additions to the existing legislative acts, as well as the development of new draft bills to the relevant state authorities.

The rapidly changing political and economic situation in the post-Soviet countries, as well as growing in strength democratic processes provide the basis for the development of modern mechanisms to reduce the costs inflicted by crime, as well as suggestions for improving the structure and performance of law enforcement agencies, and the optimization of entire law enforcement system maintenance.

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