



Costing Crime in Finland

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Criminal Policy in Finland

- Rational and humane criminal policy
- Harms and losses caused by criminality and control of criminality should be as little as possible
- Costs should be evenly distributed by society, offender and victim
- => Cost-effectiveness is part of planning
- Possible to decrease prison rate without increase in criminality

Categorizing costs

- Society: Costs to operate the criminal justice system, social- and welfare services, customs etc.
- Costs to maintain private and public security
 - Technical protection, insurances etc.

Categorizing costs

- Victim-related costs
 - Costs to enterprises
 - Costs to individuals
- Tangible – lost property, health care
- Intangible - pain, suffering, fear, lost quality of life, fatality



State vs. municipals

The criminal justice system constitutes of state authorities (including police) and is thus maintained by state taxes

- Municipals have self-governance
- Municipalities provide e.g. social- and health care services and educational services

State vs. municipals

- The state participates in covering the expenses by the system of state subsidies
- In 2004 budget the social- and health services costs 11,1 billion euros
- The municipalities get about 30 % of the sum from the state

The Criminal Justice System

- Courts
- Prosecutors
- Prison and Probation Services
- Debt recovery procedure
- Legal aid
- The Police
- Administration costs

The court system

- The Supreme Court 2,55 million e
- Courts of appeal 22 million e
- The district courts 37,1 million e
- The court system costs in total
- *61,7 million euros*



Public prosecutors

- Deals only with criminal cases
- Budget for 2004 is *30 million euros*



Legal Aid

- The state operates Public Legal Aid Offices
- Net expenditure 3,7 million euros
- Compensations to private legal aid counsels 30, 6 million euros
- In total *34,3 million euros*

Prison and Probation Services

- Prison Services 159 million
- Probation Services 13 million
- Administration, education etc. 6,4 million
- In total *178,4 million euros*

Debt recovery procedure

- Year 2004 estimated costs 78, 9 *million euros*
- The income of debt recovery already deducted

Ministry of Justice and other administration

- About 20 % of the staff in the ministry (altogether 400) work with criminal matters
- This means 16 million euros
- Other institutions costs 2 million euros
- In total *18 million euros*

Ministry of the Interior

- The budget of the Ministry of Interior is 87 million euros in 2004
- About 26 % of the personnel (478) work in the police department, also crime related work in other departments
- Minimum estimate is that 30 % of the resources deals with crime
- => *26,1 million euros*

Jurisdictional Districts

- General administration of the police, the prosecution and general local administration
- Budget for year 2004 is 43, 9 million
- About 80 % of the duties are crime related
- In total *35 million euros*



The Police

- Budget for year 2004 is 553 million euros
- Crime matters count for 74 %
- In total 410 million



The Customs

- Protecting society
 - Fighting economic crimes
 - Prevents that illegal goods are imported
- Budget for this purpose *22, 2 million euros*



The State Treasury

- Compensation for victims of crime
- In total *6,4 million euros*

Other institutions

- Directorate of Immigration
- The Frontier Guard
- Both have duties related to crime problems but monetary values are difficult to estimate

State expenses in 2004 budget

• The Police	<i>410 million</i>
• Prison and Probation Services	<i>178 million</i>
• Debt recovery procedure	<i>79 million</i>
• The Court system	<i>62 million</i>
• Jurisdictional districts	<i>35 million</i>
• Legal Aid	<i>34 million</i>
• Prosecution	<i>30 million</i>
• Administration M of I	<i>26 million</i>
• The Customs	<i>22 million</i>
• Administration M of J	<i>2 million</i>
• The State Treasury	<i><u>6 million</u></i>
• IN TOTAL	<i>884 million</i>

Private security business

- Private guards and other personnel
5 300
- Annual net salary 15 000 euros
- Net salaries 79,5 million euros
- Offices, cars & other expenses
difficult to estimate
- Best guess *100 million euros*

Damages caused by crime

- Losses to households caused by thefts counted in 1988 (Aromaa et al. 1991)
- Crimes reported to the police
- Net losses (lost property + damaged property - property gained back)
- Corrected by a consumer price index
- About *37,5 million* euros annually

Damages caused by crime

- Victim survey in 1988 showed that net loss to private persons was *56 million euros*
- Since 1988 the amount thefts reported to the police have reduced 15 %. At the same time the value of stolen property is increasing
- *56 million euros* still fare estimate

Insurance compensations

- 80 % of the household have a home insurance
- In year 2001 the insurance companies compensated burglary- and theft losses *22 million euros*
- Thefts and damages caused to cars and boats were compensated by *32 million euros*

Insurance frauds

- Insurance companies estimate that 10 % of the claims for damages are dishonest
- And 10 % of the claims that are reimbursed are unlawful
- It can be estimated that total loss to insurance companies raise to *300 million euros*

Losses to enterprises

- Exact information only from bank robberies
- 8 successful bank robberies in 2002. Total losses *72 000 euros*, which means 9 000 euros per robbery
- In 1988 study property losses in crimes reported to the police about *40 million euros*
- No exact information on the dark figure

Losses to retail sale

- The value of thefts from retail stores is 250 million euros annually (1,3 % of the sales)
- Investments to the security etc. 45 million euros per year
- Total loss because of thefts from retail stores *295 million euros*

Other crimes to enterprises

- The value of infringements against registered trade marks and copyrights are not estimated

The price of violence

- Costs of violence against women
- Minna Piispa & Markku Heiskanen (2000)
 - State level estimation
- Heiskanen & Piispa (2002)
 - Municipal level estimation
- Jukka-Pekka Takala (2003)
 - Total costs of violence

The costs of violence

- Jukka-Pekka Takala (2003):
- Public sector / *264 million euros*
- Loss of economic productivity
 - Homicides *95 million euros*
 - Assaults *83 million euros*
- Physical and mental harms *400 million euros*
- *TOTAL estimate 842 million euros*

What do we know?

- Costs the State institutes possible to count
- Municipal costs not known - difficult to apart from social- and welfare costs
 - Special studies eg. on violence (Heiskanen & Piispa) and graffities
- Individual costs
 - Victim surveys, crimes registered to police

What do we know?

- Costs to enterprises -surveys
- Certain crime categories
 - Violence against women
 - Economic crimes (Alvesalo & Laitinen - 94)
 - Credit card frauds
- More knowledge on *costs per unit* in social and health care as well as in criminal justice system

What is needed?

- Resources to research
- Developed budgeting processes
- Shift from administrations to problem areas
- Balanced approach in criminal policy
- Incapacitation can be cheaper than shifting costs to victims
- Danger of "controlling dangerous classes"