

Privatizing Crime Detecting & Enforcing

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A Parable of Loaves & Fishes

- Imagine state run **food** industry, as was China, USSR
 - State chooses & manages production, allocates to all
 - Inefficient, poorly adapted to individual variation
 - As **food** important, would get **food** “rights”
 - But complex, poorly enforced, corrupted
 - *Better*: budget to spend in competitive food market
- Today state runs industry of **crime** catch & punish
 - State chooses & manages production, allocates to all
 - Inefficient, poorly adapted to individual variation
 - As **crime** important, get “rights” re search, silence, cruel
 - But complex, poorly enforced, corrupted
 - *Better*: budget to spend in competitive crime market

Ordinary Law - Ancient

- Law rules set more by tradition, judges, & precedent
 - Usually regarding accidental harm
- 2 sides: “plaintiff” (victim), “defendant” (injurer)
 - Identifiable victim must take initiative
- Each side pays for own detective, lab, lawyer
 - They have same powers, powers anyone can get
- Court treats both sides equally
 - “Preponderance of evidence”
- If guilty, usually punish via injurer pays victim cash
- Problems:
 - “Victims” need \$ to sue, may make up evidence to get paid
 - Hard to catch those specialize in hide self, evidence, or assets

Crime Law – New Since ~1600

- Law rules more from legislatures & agency rulings
 - Usually regarding intentional harm
- 2 sides: state prosecutor, accused criminal
 - Identifiable victim not needed, if exists not in charge
- State pays for its detective, evidence labs, lawyer
 - Pays less for public defender, who tells accused to settle
- State pays to punish via prison, torture, or death
- Court holds state to higher standard
 - “beyond a reasonable doubt”

Why Is Crime Law Different?

- Law **Easy** If:
 - Small accidental harm, injurer has rich local ties
 - This makes it easy to find injurer, evidence on, assets of
 - Ordinary law works well here
- Law **Hard** If:
 - Big intentional harm by crime specialist
 - Who has ways to hide self, evidence, & assets
- Ancients add: death, enslave, clan liability, clan repute
 - Today we reluctant to use these
- Since ~1600 , states make own police, powers, prisons
 - States eager to control media, schools, & forces could rebel

Crime Law Problems

1. State corruptible, powerful, coordinates well
 - Police given extra budget, powers over defendants
 - Bad incentives via fine revenue, prison labor
 - Many state actors can choose to *not* pursue crime
 - Blue-wall-of-silence, internal affairs under police chief
 - Plea bargain threats powerful, can induce “evidence”
2. Restrictions weak, awkward, bureaucratic
 - Higher standard of proof, avoid fines & prison labor
 - Police behavior regulated, e.g., traffic stops
 - Ill-enforced “rights” re silence, searches, cruelty, etc.
3. State run -> poor incentives, one size fits all policy

Scope of Proposed Solution

- **Crazy to change everything at once**
- **But small changes may not open eyes, inspire**
- **Leave As Now, State Chooses:**
 - *Laws*: What types of acts by who are crimes
 - *Courts*: Was this particular accused act a crime
 - *Priorities*: Re detect, punish each crime type or act
- **Change To Private Choice:**
 - *Punish*: fine, prison, torture, exile, death
 - *Limits on Freedom*: curfew, gun, restraining order
 - *Privacy Rights*: ankle bracelet, email, bank records
 - *Investigate*: each person or possible crime

BIF: Bounties & Insured Fines

1. All enforcement via **BOUNTY** hunters
 - Like bail enforce agents, whistleblowers, thief-taker, “dead or alive”
 - First to convince court gets paid bounty B by state
 - T.B.D. rights re evidence collected, auction on B re who sues first
 - Only blue-wall-of-silence if *all* hunters give up big bounty \$\$,
 - Laws enforced on all, only judge discretion
2. Require all to be fully **INSURED** for all law liability
 - Like now for cars, bonding, sm. bus., & proposed for gun, immigrant
 - Liable up to big percentile (99%?) fine, insurer = shows can pay
 - Insurer can't quit except at known renewal time
3. All crimes punished officially via **FINES**
 - Insurer pays any fine F, except for crime of not being insured
 - Fine F helps pay for bounty B, victim compensation C ($F \neq B+C$)
 - Insurer-client contract specifies any combo of: *premium, punish, monitor, limits on freedom, privacy, co-liable friends,*
 - Fines can vary with freedom limits via $1/p(\text{catch})$ **

BIF Advantages

- Cut corruption & bias of state police & prosecutors
- Private lawsuits no longer focus on deep pockets
- Crime: centralized govt-run -> competitive industry
 - Insurers & clients compete to search for cost-effective combos well adapted to particular clients, contexts
 - Can vary: *(types & levels of) premium, punish, monitor, limits on freedom, privacy, co-liable friends*
 - We need not agonize together on rights, biases
 - Less need to distinguish citizens vs. immigrants

BIF Problems

1. Rich folk excused? – Fines vary w/ wealth, intention
2. Insurers collude? – Can enforce antitrust laws
3. Clients pick badly? – Can regulate choices
4. Criminals make best hunters? – That's good
5. Hunters make up evidence? – Keep courts skeptical
6. Bad to better enforce bad law? – Innovation division of labor
7. Less hypocrisy & symbolism; all laws enforced
8. Less discretion; most see discretion favoring them
9. High-risk clients pay high premium or low freedom
 - E.g., remote logging camp, rare escorted trips, emails read
 - We can subsidize (as we in effect do now) but see more clearly who
10. $F > B+C$: state induces crime, hunter/insurer deals changes B,F
 1. $F < B$: crime induced via hunter/insurer deals

Conclusion

- Crime law solves problems with ordinary law
 - Crime specialists who hide self, evidence, assets
 - We not willing to use enslave, clan liability, clan repute
 - States now use state police, powers, prison
- Crime catch, punish now centralized, bureaucratic
 - Corruptible, inefficient, one-size-fits-all, we all argue
- Radical proposal: BIF: Bounties & Insured Fines
 - Not change what is crime, how judge, priorities
 - Insurer-client deal of punish, monitor, freedoms, privacy
 - Efficient, adapted, no blue-wall-of-silence, laws enforced

** How To Vary Fines & Freedoms

- Everyone must keep N ($=10?$) years private records
- All can pick from L ($=4?$) levels of privacy/freedoms
- Divide polity into M ($=100?$) regions
- Every N yrs 1? random region forced to lowest level
- For each region-level combo, prediction market estimates crime rate given random pick, given not
 - That's $(2L-1)*M/N$ prices per year
- Fine factor per region-level is smoothed price ratio of given random pick, given not, $= \sim 1/\text{Pr}(\text{catch})$