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 ≠ 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(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, = ~ 1/Pr(catch)