"Summary of article by George Akerlof and Janet L. Yellen: Gang Behavior, Law Enforcement, and Community Values"

This article examines the role of community norms and values in controlling crime. It argues that community cooperation with the police is essential for controlling crime. A model of inner-city gang behavior is developed that emphasizes the gangs' pursuit of economic gain as well as the rational behavior of both gangs and community members. The model assumes that the primary limitation on crime is the gangs' unwillingness to alienate their own communities. It explicitly includes factors that influence the likelihood of citizen cooperation with the police and concludes that managing community norms to enhance cooperation with the police is as important for controlling crime as harsh punishments or additional police activity. In addition, crime control approaches that undermine community values may prove counterproductive in the long-run.

A standard economic view of appropriate levels of punishment and police presence was developed by Gary Becker[1]. He created what came to be known as the *principal-agent model of behavior*. This model is applicable to many different two-role interactions, such as managers and workers, or voters and politicians. According to this model, the principal (the police) sets out incentives to which the agent (the criminal) responds. The outcome of the interactions depends on who knows what about whom. Becker assumes that the ability of the police to detect criminals depends directly on the level of law enforcement effort, referred to as monitoring expenditure. Becker also assumes that criminals view the risk of their detection as outside their control.

However, the most important deterrent to crime is not the presence of police, but the presence of knowledgeable civilians who are willing to cooperate with police.   A third element - the community - must also be included in the model.   This amended version of the model assumes that criminals view their chances of being detected as dependent on both law enforcement monitoring and community behavior. It further assumes that gang members think that they can influence the community's willingness to cooperate with the police.

The roles of the three protagonists in the model - gangs, community, and government (represented by the police) - are described in the following sections.

MODELING GANG BEHAVIOR

The model assumes that gangs, as agents, calculate the costs and benefits of criminal activity to determine the optimum number of crimes to commit. The attractiveness of noncriminal activities is a key determinant of these costs and benefits. Residents of poor neighborhoods earn little money for legitimate work, so the differential reward for committing crimes is higher there than in wealthy neighborhoods. In addition, the departure of the middle-class from the inner city has led to a decline in acceptance of the work ethic and in norms against imprisonment.

Gangs calculate the costs of each crime committed based on three elements: the potential penalty (jail sentence) associated with the crime, the amount of police monitoring, and the level of community cooperation. Local residents are aware of certain illegal activities conducted by gangs since some require a degree of openness, such as the selling of drugs. Gangs realize that they must secure community support, otherwise citizens will cooperate with police. Rent-seeking behavior of gangs is also constrained by other factors such as relationships through blood, marriage, or friendships with community residents.

Under the simplified assumptions of the model, as the level of crime increases, a critical point is reached where the representative community member changes from being uncooperative to cooperative with the police. This point defines the cooperation/noncooperation boundary. The gang has an incentive to commit crime up to this critical point; beyond that level, the community cooperates with government and crime does not pay.

MODELING COMMUNITY BEHAVIOR

Community residents, the second protagonist in the model, are aware of gang activities. Among the significant number of residents with middle-class aspirations, two opposing motives determine the degree of cooperation with the police. First is the fear of retaliation for informing the police, which is measured against the hatred of gangs and their activities. This tendency is weighed against secondary motives. For instance, there may be sympathy for gangs because they sometimes make positive community contributions: preventing undesirable outsiders from entering the neighborhood, using their power and money to support positive local activities, and even restraining drug selling to children. Community attitudes toward the police also influence the tendency to cooperate. Residents often view the police as an alien, hostile force that uses unfair procedures and imposes inappropriate punishments.

Community residents who are potential informants are modeled as "representative agents" with identical preferences. This assumption requires two simplifications of the model. First, community diversity is undervalued. The differences between residents with middle-class aspirations and a work ethic and those residents who espouse street values and hustling are disregarded. Another simplification is that the model accepts norms as given; this ignores factors that form and shape values, such as community leaders who demonstrate the value of a strong work ethic. Unfortunately, the black middle class, which might have helped form these values, has fled the inner city; those who remain have less belief in these norms and little hope of increasing their status.

Accordingly, the principal-agent model of behavior assumes that there are four factors which influence the willingness of community members to reveal information to the police:

(1) Fear of reprisals from gangs;

(2) Consequences of a weakened local gang. Community members may not wish to weaken the local gang if they believe that the level of crime in nearby similar neighborhoods is higher than in their own. Residents may prefer to deal with a gang they know than to take their chances with an outside gang. If local crime is perceived as higher than in other nearby neighborhoods, citizens will tend to cooperate with police.

(3) Perception of fairness of the criminal justice system. Community members are assumed to be less willing to cooperate if penalties against offenders are felt to be either too high or too low.

(4) Attitudes toward police and community norms concerning the criminal justice system. This is relevant when the police are perceived as playing an ambiguous role in poor neighborhoods -- the police may preserve order to some extent, but they also imprison citizens, sometimes unfairly.

MODELING GOVERNMENT BEHAVIOR AND COMMUNITY COOPERATION

The government, as the principal, plays the third role in the model. The government, represented by the police, establishes the procedures for catching, sentencing, punishing, and paroling offenders. It also determines law enforcement budgets and penalties for offenses. The model views the government balancing two separate aims: controlling the level of crimes and controlling spending. Although not included in this model, a more general framework might also include the possibility of kickbacks between gangs and government agents.

The level of law enforcement monitoring has an ambiguous effect on cooperation. Higher monitoring levels may increase reporting because there may be a greater likelihood that the information reported will lead to convictions. However, if penalties are considered unfair, higher monitoring may decrease reporting because the information may lead to unfair sentences.

COMMUNITY NORMS AND CRIME FIGHTING STRATEGIES

This principal-agent model of behavior can be used to determine the optimal strategy for fighting crime, assuming that community norms cannot be changed in the short-run. The optimal strategy depends on three factors that have been used in previous economic models of crime and punishment: social cost of crime, monitoring costs, and neighborhood income. In addition, the model also includes two new factors: a norm of fair punishment and the community's tendency to report crime. The tendency to report crime is assumed to depend on the norms of cooperation with police, the severity and probability of retaliation against informants, and crime levels outside the neighborhood.

The model presents the possibility of an upward spiral of crime in the absence of strong reporting norms in communities surrounded by high crime neighborhoods. In such communities, residents are less likely to cooperate with police. Residents fear that they will be worse off if they punish their local gangs, thus allowing nearby gangs to enter their neighborhood. Without community cooperation, law enforcement efforts are less effective and gangs have less reason to moderate their criminal activity.

The model suggests that traditional methods of crime prevention and control - increased police presence and more severe criminal punishments - may be counterproductive because they have the potential to undermine community norms for cooperation with the police. On the other hand, nontraditional strategies - such as enhancing the roles of churches, parent support groups, citizen patrols, neighborhood cleanups, and community policing - may offer high payoffs by strengthening community norms for cooperating with the police.

Notes

1. Gary S. Becker, "Crime and Punishment: An Economic Approach," <u>Journal of Political Economy</u> (March-April 1968, *76*, 169-217).