

Eric Doviak

To: [REDACTED]

Date: [REDACTED]

Subject: a microeconomic critique of the war on drugs

I know you all think I'm crazy for proposing that the City of [REDACTED] designate a time and place where drug traffic could be conducted without fear of arrest, but I guess that's the price you pay for being the only level-headed pragmatist in the office.

I'm not saying that we should accept crime. I'm saying that we should recognize our limitations. There is no way to eliminate all drug-trafficking from [REDACTED], but we can make [REDACTED] neighborhoods drug-free.

After visiting Mr. [REDACTED]'s home and developing an understanding the aggravation that the adjacent crackhouse has been causing him for the last four months, I was startled that the [REDACTED] Police have not been able to permanently shut down the crackhouse earlier.

Why have Mr. [REDACTED] and his neighbors had to endure this intolerable situation for four months? Why are the [REDACTED] Police unable to arrest the occupants and put an end to the problem?

This memo will demonstrate that the lawlessness in Mr. [REDACTED]'s neighborhood persists because our government (broadly defined) places a relatively high value on prosecution, which requires police officers to spend large amounts of time preparing for court and prevents them from maintaining law and order.

This memo will also demonstrate that adding more officers to the police force will reduce the level of disorder in our neighborhoods, but the reductions will be small. Great reductions in disorderly behavior will only occur if we reduce the volume of criminal prosecutions.

This memo makes use of microeconomic theory – but relax! I'll keep it simple. I promise.

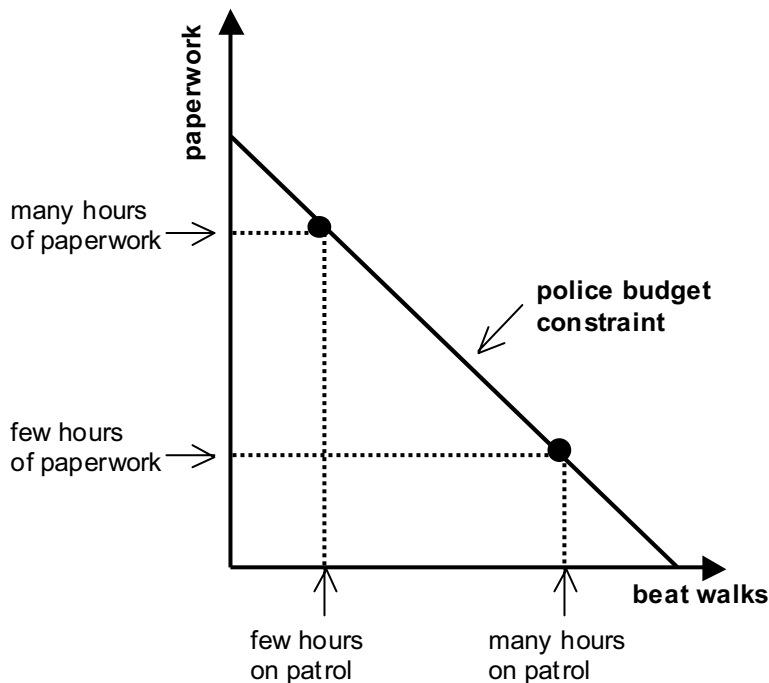
A microeconomic theory of policing

The critical assumption of this model is that people do not knowingly commit crimes if they think that there is a good chance of being arrested. In other words, I'm assuming that no one would commit a crime if they knew a police officer was present.

They only commit crimes if they think that they will not be caught, so prosecutions do not deter crime. Considering the fact that the drug dealers in Mr. [REDACTED]'s neighborhood have already been arrested and charged and are currently awaiting prosecution, this seems like a very reasonable assumption. The only deterrent to crime and lawlessness is putting more police officers on patrol.

Since it is impossible to simultaneously file paperwork and walk the beat, there is a trade-off between the two. Every hour that the police spend on paperwork is one less hour that they can spend walking the beat.

The figure below illustrates the “police budget constraint.” The police budget constraint depicts the different combinations of time that the police can allocate to paperwork and “walking the beat” (i.e. responding to complaints, car patrols, etc.). The point is that the police have to budget their time.



The police force has a limited number of officers who divide their time between filing paperwork and walking their beat.

The police budget constraint reflects the tradeoff between paperwork and walking the beat at the maximum level of police activity.

A police force that spends most of its time filing paperwork spends few hours on patrol.

Whereas a police force that spends little time filing paperwork can spend more time on patrol.

In order for a police force to spend most of its time filing paperwork, it cannot spend much time walking the beat. Conversely, a police force that spends most of its time walking the beat cannot spend much time filing paperwork.

At the point where the budget constraint intersects the “paperwork” axis, the police spend all of their time filing paperwork and cannot spend any time on patrol or walking the beat. Similarly, at the point where the budget constraint intersects the “beat walks” axis, the police spend all of their time on patrol and cannot spend any time filing paperwork that lead to criminal prosecutions.

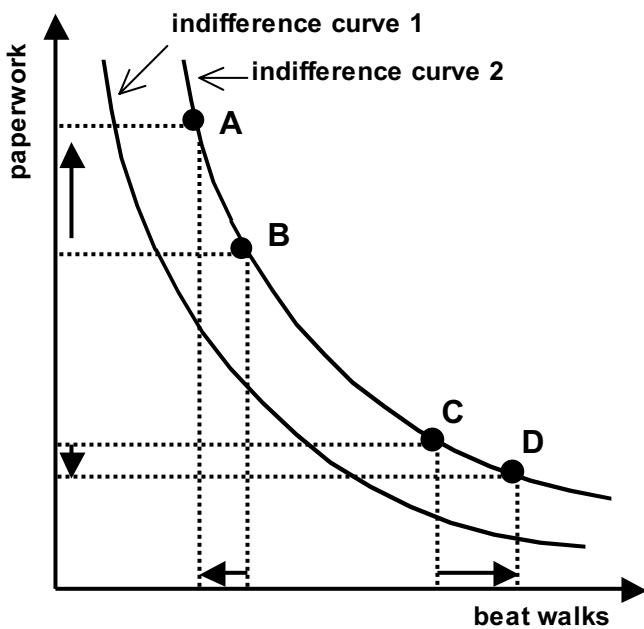
So who determines how much time the police devote to each activity? And what is the optimal amount of time that the police should devote to each activity? The answer lies in the preferences of the mayor, who oversees the police department.

The “indifference curves” depicted in the next figure represent different levels of satisfaction that the mayor derives from the different combinations of paperwork and beat walks. Obviously, the mayor would like all criminals to be prosecuted and he would also like to have his police officers on the beat all the time to prevent disorderly behavior from occurring in the first place.

This assertion is illustrated by the location of the indifference curves relative to the origin. Indifference curves which are further from the origin contain combinations of paperwork and beat walks which give him higher levels of satisfaction (“utility”) that crime is being fought.

The mayor is willing to accept certain trade-offs however. All of the different combinations of paperwork and beat walks along an indifference curve give the mayor the same level of satisfaction. Not all trades are equal however.

If the initial ratio of paperwork to beat walks is relatively high (point B), then – in order to preserve the same level of satisfaction – the mayor requires a large increase in paperwork to compensate for the small decrease in beat walks (movement along the indifference curve from point B to point A).



If more paperwork leads to more criminal prosecutions and if more beat walks lead to lower crime rates, then the mayor of the city would prefer both more paperwork and more beat walks. So the mayor prefers all points on indifference curve 2 to any point on indifference curve 1.

The mayor is indifferent however between points A, B, C and D.

In order to remain indifferent between points A and B however, the mayor would require a very large increase in paperwork to offset the small decrease in beat walks.

Conversely, in order to remain indifferent between points C and D, the mayor would require a very large increase in beat walks to offset the small decrease in paperwork.

In other words, at point B the mayor demands a large increase in prosecutions to compensate for the increase in disorderly behavior that results from fewer beat walks.

Conversely, if the initial ratio of paperwork to beat walks is relatively low (point C), then – in order to preserve the same level of satisfaction – the mayor requires a large increase in the number of beat walks to compensate for the small reduction in paperwork (movement from point C to point D).

In other words, at point C the mayor demands a large increase in beat walks and more order to compensate for the small reduction in prosecutions that result from less paperwork being filed.

So what combination of paperwork and beat walks will the mayor accept? The mayor will choose a point along the police budget constraint since he prefers more paperwork and more beat walks to less.

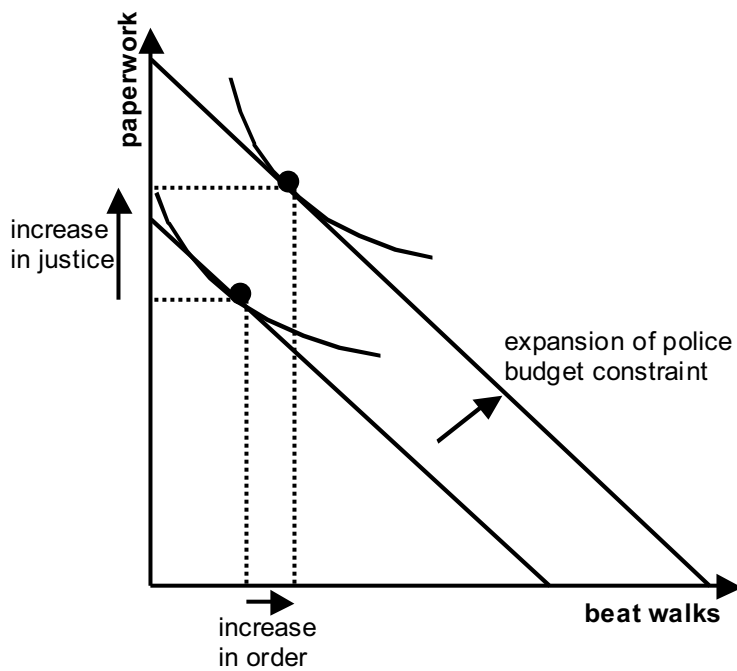
But what point along the police budget constraint will he choose? The mayor will choose the point where his indifference curve just touches the budget constraint, so that he can obtain the maximum level of satisfaction given the constraint on the police's time (that is, given the police budget constraint).

He would not choose a point where his indifference curve crosses the budget constraint because at such a point, he could still gain more satisfaction (at a higher indifference curve) by choosing a different combination of time that the police spend filing paperwork and walking the beat.

How should the mayor respond to complaints about drug trafficking?

A mayor who wants to address constituent concerns about drug trafficking in his city frequently responds by expanding the police force. Such an expansion will increase both the amount of paperwork that the police can file and the number of patrols that the police can undertake.

If however, the mayor places such a high value on prosecutions that the police are forced to spend the vast majority of their time filing paperwork, then the vast majority of the additional police capacity will be



Politicians frequently respond to constituents complaints about crime by promising to enlarge the police force.

Adding more officers to the police force shifts the police budget constraint outward and leads to both an increase in justice and an increase in order.

Notice however, that if the mayor's preferences remain unchanged, then the increase in justice will be much larger than the increase in order.

allocated to filing paperwork, not patrolling the neighborhoods. Consequently, there will be a large increase in the justice that crime victims receive from prosecutions, but the reduction in disorderly behavior (increase in order) will be minimal.

In fact, because our government (broadly defined) places such a high value on prosecution relative to patrolling, the police spend most of their time filing paperwork and very little time maintaining order in our neighborhoods.

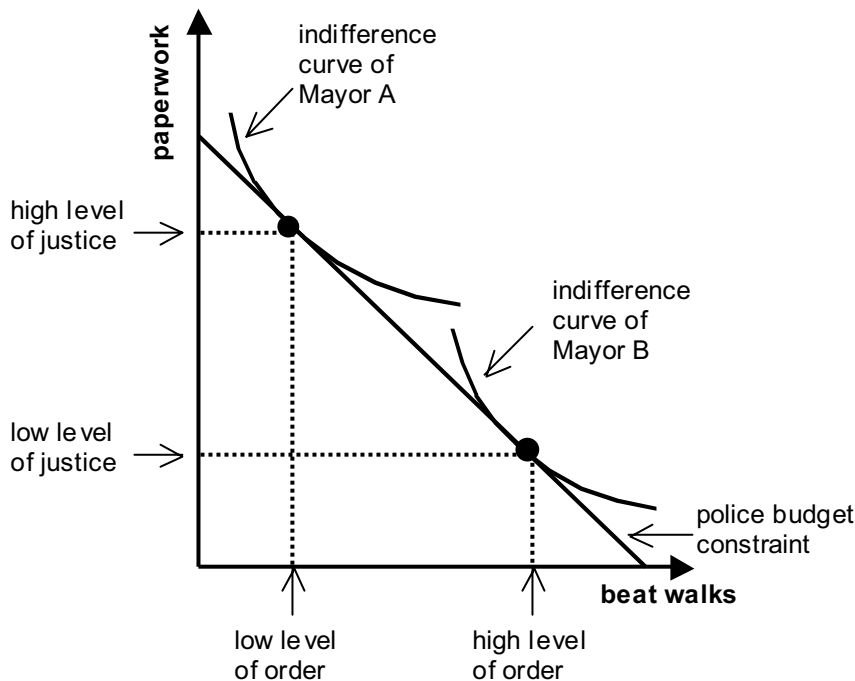
Every time the ██████ Police make a drug bust, they have to spend a week compiling all of the evidence and assisting the prosecution. Then when the case goes to trial, the officers are spending time in court and are not walking the beat. In the meantime, another crackhouse pops up somewhere else.

Because the ██████ Police are so deluged with paperwork, they have completely stopped responding to Mr. ██████'s complaints. 911 has told him not to call. He and his neighbors are frustrated.

I don't think Mr. ██████ and his neighbors are upset about the drug-trafficking per se, I think they're upset about the anarchic state of their neighborhood.

They're tired of car horns blowing when someone wants a quick pick-up. They're tired of cars driving in and out all night. They're tired of being afraid that a drug-addict might rob them. They're tired of the drug dealers threatening them. The cold, hard fact of the matter is that the dealers can do anything they want without any regard to the effect that their activities have on the neighborhood.

Given what they've been through over the past four months, they certainly want the dealers arrested, but if they had to choose between having a peaceful neighborhood without prosecution and having the dealers prosecuted but without an elimination of the drug trafficking, I guarantee you that they would choose peace and quiet over prosecution.



Mayors A and B face the same police budget constraint, but they have different preferences (as illustrated by the different positions of their indifference curves).

Mayor A is willing to tolerate a higher level of lawlessness in his city, so that his police force can prosecute more criminals.

Mayor B prefers to prosecute fewer criminals, so that his police force can maintain a higher level of order.

A larger police force would be helpful, but what we really need is police who respond quickly to disorderly behavior in our neighborhoods. What we need is for the mayor to change his preferences.

If the mayor accepted some limited drug-trafficking in a designated area far from all residential neighborhoods, but also vowed to swiftly arrest and prosecute anyone who buys, sells or uses illegal drugs in a residential neighborhood, then police could spend less time filling out paperwork and more time maintaining order in our neighborhoods.

Even better, the police could watch the traffic in that parking lot to make sure that the traffic stays respectable. No violence. No loud music. No driving away under the influence of mind-altering drugs. And make the users clean up after themselves.

The risk of course is that the designated area will become a major distribution center for the whole [redacted] and surrounding regions. But if the police are on the scene, they can still take notes about what is occurring there, which will enable them to make prosecutions elsewhere.

Would this solve the drug problem in [redacted]? Most certainly not! But it would:

- keep drug-trafficking away from small children,
- keep drug-trafficking out of our neighborhoods and
- allow Mr. [redacted] and his neighbors to sleep peacefully at night.

Questions to explore

- Are officers required to report all drug activity when they respond to a complaint? If so, that may be one of the reasons why they cannot afford to respond to Mr. [redacted]'s calls.
- Are police officers legally obligated to report any and all drug activity that they see? If so, then they would be breaking the law themselves if they allowed drug traffic to occur in such a designated area.
- Would the City of [redacted] be liable if someone overdosed in the designated area?