

Social cost of crime: a simple model of human interdependence

T. N. Herath

Department of Economics, University of Sri Jayewardenepura, Nugegoda, Sri Lanka

Crime creates heavy costs to a society. Cost of direct crime has been categorized and estimated by a number of researchers. Some such categorizations divide crimes into two broad groups namely crimes against property and crimes against human beings. However, such calculations rarely explain the overall aftermaths of crime on other parties than victims. This study makes an attempt to fill this gap by explaining final or accumulated cost of crime. It takes a natural characteristic, namely, interdependence of man and societies into account and builds up a model to explain interrelations between people and extent of cost of crime. Owing to interdependence of human life, availability of consumer goods and services is a function of supply of labour and material wealth of some others. Taking this property into account a simultaneous equation model can be postulated and used to explain that one's life and material property are beneficial for others in producing, providing and satisfying their needs. The model further explains that decrease in overall availability of goods and services is a cost of crime and that crime creates costs not only to victims but also to other related parties. Furthermore, the model is related to social model of crime prevention which proposes to enhance the 'social capital' or the relationships between people to protect people from crime. The study concludes that grave crimes especially homicide undermines human relationships and social network or interdependent nature of human beings. Therefore, crime can be defined as a prohibition on interdependent characteristic of man. Understanding the characteristic of interdependent property among people and including that in legal documents would be avenues to reduce crime and retain peace in the world.

Keywords: Cost of crime, Division of labor, Interdependence