

## Chapter Ten - Conclusion

### Introduction

The changes in economy and society over the last 25 years have had profound repercussions in the way in which crime is dealt with, not only by the Criminal Justice system. In fact, as discussed in this book, the definition of crime, the systems of reporting crime, culture, the depth of the relationship between the public and private sector, have all influenced the governance of crime by degrees, especially within the Anglo-American criminological sphere.

The Right Realist criminological literature concerning the analyses of property crime, tends to consider an economic approach to the understanding of criminal behaviour based on the premise that “crime is a rational behaviour, a choice that is made by a person or persons in deciding how best to spend their time” (Hellman and Alper 1997:1). Indeed, as discussed in chapter two, Situational Criminology identifies Rational Choice Theory (RCT) as central to its theory and promotes the linkage between economic theory and criminology. Whether Rational Choice actually defines the way criminals behave or not, there are contrasting views to this theory (Green and Shapiro: 1994; Schotter: 2004; Becker: 1993) and regarding the adoption of RCT to understand human behaviour and crime.

From an RCT perspective, Steve Machin and Costas Meghir from the London School of Economics (1999), looked at the link between rising property crime and declining labour market opportunities from the mid 1970s to 1996. The premise of their study was that the standard economic approach to crime is that of weighing up the expected costs and benefits from crime. That is to say, if an individual is making a choice between work or crime, then a crucial factor will be the level of wages he or she can obtain<sup>81</sup>. As highlighted in chapter two, Situational Criminologists seem to sidestep this aspect of RCT and view the immediate causes of crime as the most relevant. However, this book has attempted to demonstrate that irrespective of motive and reward, property crime – specifically vehicle crime - has created not only an industry in its own right but that this industry has been influential in the governance of crime.

### Crime Control

Beckett argues that “advocates of the new penology (actuarial criminology) profess no ideological affiliation, but see themselves as planners and systems engineers seeking to implement crime control policies aimed at the efficient management (rather than elimination or reduction) of criminal behaviour” (1997:103). She points out that in the discourse of the new penology, “the language of probability and risk supersedes any interest in clinical diagnosis, social context, or even retributive judgement. These ‘risk assessments’ are based not on knowledge of the individual case, but on actuarial or probabilistic calculations” (ibid).

Christie identifies the essential features of modernity in crime control and argues that this is “illustrated in the privatization movement” (1994:109). Although his comments refer to prisons, the discussion surrounding the expansion of the private sector is central to systems

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<sup>81</sup> Machin and Meghir found that crime rates increased between 1975 and 1996 in areas where wage prospects were at the bottom end of the wage distribution or rather that property crime rose by more where wage opportunities declined by more. They argued that this reinforces the view that what happens in the labour market is important in explaining why individuals turn to crime in the absence of anything better. A buoyant labour market with good wages on offer at all points on the income distribution could therefore be central in reducing the potentially large social costs of crime. They concluded that the economic models of crime emphasising the role of market wages in the incidence of crime were in line with the experience (of property crime) in England and Wales between the mid 1970s and 1996.

based on privatization. Indeed Feely asks “to what extent privatization does expand and transform the state’s capacity to punish?” (cited in Findlay, 1999, p.109). In this book, I have attempted to link the influence of the private sector, specifically the insurance and security industries to the criminological theory and to crime statistics and crime surveys which are “research based on prediction and classification” (Beckett 1997:103).

Findlay (1999) argues that “governments as custodians of economy can put in place regulatory policies which benefit certain commercial sectors and organizations amenable to the utilization of crime opportunities to achieve profit” (p.178).

Furthermore, Findlay considers the debates surrounding the study of crime prevention (Joutsen, 1994 cited in Findlay) and victimization (Alvazzi del Frate et al 1993, cited in Findlay) where internationalism is accepted both at the level of research and policy. He argues that “while a global contextualization of the relationship between crime and development can prepare the way for useful research into such questions, the reality of crime as a particular issue for people and places is the essential starting point from which all analysis must radiate. This is the difficulty facing a balanced appreciation of crime as a comparative concept or a trend in development and crime as a local problem” (1999:66-67).

He points out that “the tendency to universalize crime against political and social movements may overlook the peculiar characteristics of crime within (...) market structures” (ibid:67). I would add that the tendency to universalize crime may also overlook the peculiar characteristics of the governance of crime and government regulations in relationship to the private sector, as discussed in chapters three and six.

Edwards and Hughes (citing Crawford) comment that in criminological thought “the enrolment of new actors from other statutory, commercial and voluntary organizations into multi-agency partnerships for crime prevention and security has been interpreted through arguments in social and political theory about the shift from state-centred government to governance” (2005:261). In my analysis of British and Dutch governance, I have attempted to identify variations in these interpretations of ‘crime control’, of the multi-agency partnerships and their influence on the public perception of and reaction to crime.

The voluntary organization The Motorcycle Action Group UK reacted to the insurance industry announcements that motorcycle theft in Britain was a ‘problem’ by publicizing the need for awareness of the problem to protect its members and in doing so, promoted security and advice to protect motorcycles.

The results of my first survey demonstrated that 67.4% of the control group (riders who had not had their motorcycles stolen) used security for fear of theft compared to 75.2% for the group of riders who had had their motorcycles stolen. However, the group that had their motorcycles stolen was more constantly and extremely worried compared to the control group.

As Loader argues, “the result of theft therefore can lead to a powerful capacity to disenchant because it has failed to satisfy the expectations offered which is the idea of control over an unpredictable and insecure future. (...) Thus the dynamics of disappointment and fear are sentiments which “the crime control industry has a vested interest in cultivating and sustaining” (1999:381-382). The results of the survey highlight this disenchantment in the ways in which riders looked for ways to protect their property. Within the group of riders that had had their previous bikes stolen, the category that used the most security was those with motorcycles between 1 to 2 years old (26% alarms; 39% immobilizers and 51% tagging): far less than

compared to the control group with motorcycles between 1 to 2 years old (46% alarms; 55% immobilizers and 62% tagging<sup>82</sup>).

## **Governance**

The private security sector has, according to Singh (2005), expanded within the context of changing forms of governance and so private security practices come to embody rather different and contradictory assumptions about individuals. Singh argues that “the marketing of security products and services emphasizes the problem of crime” (ibid:153).

Garland comments that “the reaction of the commercial sector has been to develop a repertoire of private security arrangements” including supply side approaches to crime and its prevention (2000:365). He argues that “crime consciousness with its dialectic of fear and defensive aggression has come to be built in our physical environment (...) and thus the habitual routines of our everyday lives (...). This security consciousness was also encouraged, of course, by the commercial security industry, whose sales of security devices fuelled the public’s fear and insecurity at the very moment that it claimed to allay them” (ibid 365:66). In chapter eight, my survey of riders and their concerns about theft have highlighted issues of commodification and trust.

According to Bevir and Rhodes (2001), we use the notion of governance to develop a more diverse view of state authority in its relationship to civil society. They argue that “although there are equivalent trends of governance towards markets and networks in other advanced industrial democracies, we know little or nothing about how national governmental traditions shape responses to these trends”.

Bevir and Rhodes point out that New Labour’s emphasis on individual choice and involvement overlaps with themes found within the New Right. In promoting customer-focused services, New Labour adopts features of the new public management agenda when it considers them suitable. They comment that New Labour’s model of service delivery does not follow the New Right’s vision of the new public management and that the Third Way, in contrast to the vision of the New Right, is supposed to develop networks that enable public and private organizations to collaborate (ibid).

As such, New Labour’s networks for public service delivery are supposed to be based on trust. Bevir and Rhodes argue that, “trust matters because we are interdependent social beings who achieve more by working together than by competing. Quality public services are best achieved through stable, co-operative relationships”(ibid:19). They comment that New Labour promotes building relationships of trust between all actors in society. Accordingly, the New Labour ideal is that “trust should be promoted between organizations and inside organizations through forms of management that allow individual responsibility and discretion increasingly to replace rigid hierarchies: individuals should be trusted to make decisions and implement policies without the constraint of strict procedures” (ibid).

Finally, trust is promoted between organizations and individuals: “citizens should trust organizations to provide appropriate services, and organizations should trust citizens to use

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<sup>82</sup> As the responses from British riders demonstrated in chapters eight and nine, tagging is a popular means of motorcycle security in Britain and the most successful company ‘Datatag’ is an approved supplier of Secured by Design which is the “UK Police flagship initiative supporting the principles of ‘designing out crime’ by use of effective crime prevention and security standards for a range of applications. Secured by Design supports one of the Government’s key planning objectives - the creation of secure, quality places where people wish to live and work”.(<http://www.securedbydesign.com/index.asp>. Downloaded May 2006)

services appropriately” (ibid:20). However, Bevir and Rhodes observe that “marketisation undermines trust, cooperation and reciprocity in networks. Organizational complexity obscures accountability. The search for co-operation impedes efficient service delivery” (ibid:22).

## Insurance

As mentioned in chapter six, the general consensus of European governments<sup>83</sup> is that “competition is central to the free market (...) it continuously raises economic efficiency while simultaneously exercising effective control on economic power. Generally speaking, competition for consumer favour is the best means of consumer protection. The state (...) mandates standardized contracts and minimum standards for the quality of goods” (2000:1).

According to Meyer<sup>84</sup>, “anyone who reads this description of competition and its objectives and apprehends both the general nature of insurance (as the provision and distribution of money) and the specific distinguishing feature of premium-insurance (...) will see that competition is impossible in respect of insurance in general and of premium-insurance in particular, and why this must be so” (2000:20).

He argues that “the random circumstances of insurance and its dependency on loss expenditure – that is, on events beyond the control of insurance companies – cannot ‘raise economic efficiency’ on its own. In insurance, nothing – bar services – is produced and nothing is consumed. There is no consumer sovereignty to channel labour and capital to the production operations and production processes in which they can best produce social utility. No price is stated for the services, so there is no economical output on which to place a value” (ibid:20). Thus, Meyer contends, consumers are vulnerable to the decisions of insurers, who finance and preside over their expenditures and their profits on the surpluses from premiums.

In chapter six, the discussion about motorcycle insurance in Great Britain highlighted the restrictive practices of insurers, due to the regulatory freedom availed to the General insurance sector by both the EU Block Exemption and also by the Financial Services Authority in Great Britain. I focused on three British motorcycle insurers: Norwich Union which held the biggest share of the motorcycle insurance market in 2002; AXA, the second largest motorcycle insurer and NIG, the third. I explained that these companies are all owned by Transnational Corporations.

Due to the close relationship between insurers and the police, this industry has had the opportunity to influence policy making and economic decisions by governments including in areas of crime control. As mentioned in chapter six and seven, lobbying is an effective way to get the desired message through to legislators.

In fact, Mancur Olsen (1982) believes that democracies will inevitably be subverted by narrow special interest lobbying groups. He argues that the larger the number of individuals or firms that would benefit from a collective good such as climate change, the smaller the share of the gains from action in the group interest that will accrue to the individual or group that undertakes the action. Thus, he contends that “in the absence of selective incentives, the

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<sup>83</sup> The Commission on Insurance Deregulation appointed by Germany’s Federal Minister of Economics submitted a report in March 1990 entitled *Abbau marktwidriger Regulierungen* (Elimination of Regulatory Controls Incompatible with the Free Market).

<sup>84</sup> Hans Dieter Meyer, Director of the Bund der Versicherten (insurance consumer organization of Germany), consultation paper promoted by the Commission of the EU Tariffs in Automobile Liability Insurance Downloaded April, 2006; [http://www.bunddersicherten.de/Wissenschaft/Car\\_Insur\\_Tariffs\\_E.htm](http://www.bunddersicherten.de/Wissenschaft/Car_Insur_Tariffs_E.htm)

incentive for group action diminishes as group size increases, so that large groups are less able to act in their common interest than small ones" (1982: 168).

What this means is that lobbying government for the general good such as climate change or universal health care, is not going to gain as much as a somebody lobbying for a smaller group such as the insurance industry. As highlighted previously, insurers gain a great deal in favours through the EU Block Exemption and in Great Britain, through legislation that criminalizes non payment of motor insurance.

During the course of my research on lobbying and the private sector, I found instances of potential conflicts of interest due to the roles that certain actors play. For example a peer sitting in the House of Lords who is actively involved in crime reduction projects and is also chairman of one of the biggest insurance companies in the UK and the world, may be in a position to express opinions that are supportive of policies favouring the insurance industry. There is another instance of a non executive director of the same insurance company sitting on a parliamentary standards committee. Could this person be influenced by his or her position towards legislative decisions that may favour this industry? Concerns about transparency in government fill newspapers, but the line in the sand between working for the service of the community or for the interests of industry can easily be blurred even without intent. Such close proximity between legislators and the private sector raises concerns about these actors and the consequential legislation that could ensue as a result of their shared interests and loyalties.

### **Governance and Regulation**

In chapter three, I considered the governance of crime in the Netherlands and the contrasts with the British model in relation to public and private sector collaboration. I mentioned Hulsman and Nijboer cited in van Swaaningen (1997:23) who argued that in the Netherlands, there was a wide trust in and respect for the various players in the judicial system and their colleagues in social services and public health institutions; a 'family like' trial atmosphere. This was due to a rather strict separation between law and morality which was considered quite pragmatic. As mentioned in chapter three, van Swaaningen argued that "if a particular moral judgment is not forced upon people who do not share that morality, if treatment by police and judiciary is perceived as decent, the length of sanctions reasonable and prison conditions acceptable the risk of revolt and escalation of violence becomes less and the penal system manageable"(1997:27-28).

Following the terrorist attack on the World Trade Centre in New York on the 11<sup>th</sup> of September 2001', there was a notable change in governance in the Netherlands, but even so, the present divergence with the British stance on criminality and risk is notable because as highlighted the Dutch Ministry's report mentioned in chapter three, the view is that the counterparts of risk factors are protective factors. Furthermore, Dutch policy on crime control refers to administrative prevention, handled by civil rather than penal authorities and the so-called 'integral' multi-agencies include the police, youth carers, housing authorities and primarily the local authorities.

van Swaaningen highlights that the most important deviation from the British model is that generally, there has been very little involvement of the private sector. Even within the AVc Foundation's vehicle crime reduction projects, the relationship with the private sector appears to be limited to trade associations rather than individual companies or lobbying groups<sup>85</sup>.

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<sup>85</sup> [www.stavc.nl](http://www.stavc.nl) Guus Wesselink & Arend Jan Hoek; AVc report: Successful Joint Approach (2003) Vehicle theft reduction through unique cooperation; How a simply set up public-private joint partnership can lead to astonishing results.

As mentioned in chapter three, van Swaaningen (1997) commented that the value people attribute to normative or pragmatic considerations and the trust they put in other persons or institutions are quite different in Britain compared to the Netherlands. In spite of the changes in governance in the Netherlands since then and the influence of Situational Crime Prevention over crime control, there still seems to be a difference in attitude between the Dutch and the British. This is not only the attitude of the policy makers themselves, but consequently, the public perception of crime which appears to reflect the decisions of law makers in the Netherlands to limit the involvement by the private sector in decisions of crime control. This can best be identified in the way in which the crime discourse is communicated to the Dutch public and their reactions to questions about crime.

The 2000 ICVS (van Kesteren et al, 2001) suggests that there are fewer concerns about vehicle crime in the Netherlands compared to Britain. However, my survey of Dutch and British riders gave similar results in terms of claims for motorcycle theft. Indeed the variation was only 0.2% between the two groups. The data from the Home Office in Britain demonstrates that theft for bigger bikes (>400cc) was 0.9% of parc in Britain in the 2003 report which is very similar to my findings. The theft for motorcycles in the Netherlands was 0.4% for the same year according to the AVc Foundation statistics<sup>86</sup>.

A significant proportion of Dutch riders in the survey with motorbikes valued less than €5000 had Third Party only insurance (42.8%). Due to the nature of this type of policy, the riders cannot claim against theft. If these riders do not claim for the theft of their motorbike, then do they report the theft to the police? In consideration of the debate on the 'Dark Figures' and the fact that there is no monetary return, the owners may not see any benefit to do so.

As discussed in chapter eight, riders use far less security for older, less valuable motorcycles. If the cost of the property is not significant, perhaps the process of reporting the theft may be a deterrent, or of no interest to the owner, simply because the loss of the property is not that important (as highlighted in the Australian report on motorcycle theft 2002, discussed in chapter six).

When I questioned a Dutch rider and asked whether he was concerned about the theft of his motorcycle, he replied that he really didn't think about it and didn't really care. He commented "I have more important things to think about". Accordingly, what the second survey has attempted to highlight, is the variation in the perception of theft by riders in these two countries.

As mentioned in chapter nine, 28.9% of the Dutch riders disagreed that theft was a problem in their country, compared to only 2.4% of the British riders. Conversely, 16% of the Dutch riders agreed that there was a problem compared to 26.7% of the British riders while only 3% of the Dutch riders strongly agreed compared to 17.6% of the British riders.

In chapter six, I considered Australian CTP insurance. I did so to demonstrate that this country which has similar methods to the British of counting crime, i.e. of reporting crime when recorded<sup>87</sup> with regards to police statistics, differs in terms of the regulation of motor insurance by the state governments (with the exception of New South Wales). As highlighted in chapter six, there is a difference in the manner in which these states takes responsibility for road safety by offering CTP as a service to the motoring public<sup>88</sup> rather than as a profit making product as is the case in Great Britain and Europe.

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<sup>86</sup> The Dutch theft data do not specify engine size.

<sup>87</sup> See European Sourcebook of Crime and Criminal Justice Statistics 1999

<sup>88</sup> This may change as there has been considerable pressure put on the individual state governments to open up CTP to private insurers by the Federal government in the name of 'competition'.

Results from the 2000 ICVS survey (van Kesteren et al, 2001), identify Australia as having the worst record for vehicle crime in the Western world, even more so than Great Britain. However, contrary to Great Britain, this is not reflected in the risk discourse in relation to CTP motor insurance. This is because the cost of insurance premiums is not related to the theft of the vehicle.

As discussed in chapter six and seven, a major reason for high motor insurance premiums - including third party - in Great Britain is, according to the insurance industry, theft. Yet Australian motor insurance demonstrates that in spite of documented high levels of vehicle theft, this does not equate to high insurance premiums for compulsory Third Party (a service) while it does effect TPFT and Fully Comprehensive (a product).

In consideration of the findings of surveys between the Dutch and British riders and the evidence from Australia with regards to the regulation of motor insurance, it would seem that this lack of regulation and freedom to determine 'risk' by insurers in Britain, gives them the opportunity to charge high insurance premiums and enforce or encourage requirements for security products. I argue that these opportunities and requirements could be due to the influence of the public-private relationship between government and the insurance and security industries to control crime in Britain.

As Bevir and Rhodes (2001) observe, governance is not just about corporate management and marketisation but also the changing nature of government, how we are governed and how to understand such changes. Edwards and Hughes point out that the "generalizations about human conduct inevitably misrepresent culturally and historically specific values as universal" (2005:359). They argue that in contrast "there are necessary qualities of social relations that are indifferent to context, and which consequently make comparison meaningful, but whose concrete outcomes are conditioned by diverse social contexts" (ibid).

This book aimed to test my hypothesis that 'fear of crime' and the vested interests of the private sector (specifically the insurance and security industries) draw from these diverse social contexts and the application of criminological strategies. Or rather, it aimed to suggest that the direct participation of commercial and voluntary sectors have thus generated "new objects and places of control signified by notions of 'safety' and security' (Edwards and Hughes, 2005:345). I found that there are notable differences in policies and the governance of crime control between Great Britain and the Netherlands and that the analysis and presentation of crime data can be utilized in different ways by different agencies in these two countries.

According to Cowling and Tomlinson, "company ethics and sponsored projects<sup>89</sup> are initiated from the perspective of the private sector at least, in the (short-term) strategic interests of the corporation" (2005:37). They contend that the short term interests of corporations utilize their dominant positions in the absence of "a proper regulatory framework and public support for essential services and welfare"<sup>90</sup> (ibid:50).

As highlighted in Chapter Six, the major motorcycle insurers in Great Britain are owned by Transnational Corporations. Cowling and Tomlinson argue that corporate control influences consumer preferences and citing Galbraith (1958), comment that "advertising – in the broadest sense – provides a powerful instrument for creating and sustaining wants by creating psychological or even physiological dependence" (ibid:37). They argue that advertising is a characteristic of corporate power and in turn sustains and enhances it. Furthermore, they argue

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<sup>89</sup> e.g. public private partnerships to reduce crime

<sup>90</sup> Such as compulsory third party insurance.

that there is a conflict of interest between the aims and objectives of the corporate sector and the general welfare of society.

Advertising is important for 'market' and as Loader (1999) argues, products require an emotional acceptance by the consumer. In this context, there is no reason to doubt that 'fear of crime' could be included in the marketing tools of insurance and security companies and if criminological theory and government crime control strategies provide the means (crime statistics) to support their marketing and advertising, then the consumer is more trusting and the impact more powerful.

As previously mentioned, trust is recognised as a kind of social 'glue' that enables business and communities to operate more effectively. Yet as indicated in chapter four, our society is dictated more and more by and through risk management, so it is no surprise that the marketing of fear is becoming widespread, and even more disturbingly, that it works so well. Its effectiveness has the power to determine strategies which may be morally questionable.

In that respect, Furedi argues that "in the private sector, numerous industries have become devoted to promoting their business through the fear market. In some cases, entrepreneurs seek to scare the public into purchasing their products. Appeals to personal security, constitute the point of departure for the marketing strategy of the insurance, personal security (...) industries" (2005:1). The criminological debate on fear of crime has focussed much of its attention to the development of 'fear of crime' through government strategies, crime statistics and surveys. This book has aimed to complement this debate through the findings from my examination of the complex nature of governance, vested interests and 'fear of crime'.