

A Model of Prison Expenditure and Optimal Punishment

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We defined Net Social Gain (NSG) which is a function of probability of capture (p) and length of punishment (f). We identified certain equilibrium and disequilibrium structures by maximizing NSG with respect to p and f separately and hence optimal punishment is determined. The nature of Marginal Social Loss (MSL) and Marginal Social Gain (MSG) curves has been narrated under equilibrium and disequilibrium states. A relationship between elasticities of Total Social Loss (TSL) and Total Social Gain (TSG) with respect to punishment is established.

1. Introduction

The crime phenomenon is universal and normal in all societies. Crime is an act in violation of the law and the criminal is a person, who does an act in violation of the law.

Though a considerable amount of work has been reported on theoretical and empirical analysis relating to crime and its determinants by American as well as British Economitricians, not much is carried out in the context of India. In India, there are studies about the phenomenon of criminality, but valid generalizations derived from Econometric studies conducted in the country are still lacking. Here, we make an attempt to analyse the crimes in view of the Economics.

In this area, major contributions are made by Gary S. Becker (1968), George J. Stigler (1970), Isaac Ehrlich (1973, 1975, 1977), David L. Sjoquist (1973), R.A. Carr-Hill and N.H. Stern (1973) etc.