Drug-related public expenditure

**Available data on drug related public expenditures**

The economic monitoring of drug-related public expenditure has received great attention on the EU policy making level. The drug phenomenon is directly or indirectly related with numerous aspects ranging from the health sector, the law enforcement, the public safety and economic ones. Drug related expenditures can be found in statistics recording prisons, hospitals, treatment centers, and crime. A significant part of these costs can be attributed to the public authorities in charge of the different policy areas in the field of drugs, raising questions concerning their financial role in general public expenditure.

Thus, before examining the available databases at EU level it is imperative to assess the challenges of the methodologies used. This may help to explain some of the major inconsistencies found in the literature, and give some answers as to why the findings from studies examining the public expenditures and the social cost are so diverse. This section provides a brief overview of the various methodological and conceptual challenges in the field of public expenditures in drug policy.

**Methodological challenges on assessing harms**

* **Conceptual problems**

European studies on public expenditure use different concepts and definitions for the term “public expenditure”. In order to compare public expenditure studies throughout Europe, it is important to be clear about the conceptual framework used. It is equally important to define which areas of expenditure lie within and outside the scope of a given public expenditure study. This implies that a public expenditure analysis proceeds from the perspective of the different public authorities that are competent for the respective aspects of the drug policy.

- Reliability of the data is the most important aspect when assessing public expenditures related to drug and understanding the various facets of costs in difference contexts.

- Data most of the times are based on legal rather than statistical principles.

- Although data from the judicial process are available the collection and organization of these data widely differ among countries.

- Inconsistencies in operationalization and measurement used.

The comparison of drug related expenditures, between countries or with other available statistics is particularly challenging due to the lack of standardized concepts and the absence of an internationally agreed statistical framework to make such comparisons possible. Furthermore, when studies are assessing drug related data the operationalization is largely different. The methodologies utilized also varied across studies and make the comparison impossible.

* **Data scarcity**

Lack of statistical data significantly hinders objective analysis of drug control policy, courts, prosecution and police as they do not perform aggregate analyses. Thus, evaluations are based on separate statistics, which makes them incomparable and questions the validity of the results. The comparison of harm statistics across time, between countries or with other available statistics is particularly difficult due to the lack of standardized concepts and the absence of an internationally agreed statistical framework to make such comparisons possible. Several reasons play a role in the data scarcity, such as:

- National estimation of drug-related public expenditures are conducted by national authorities, without the full data sets required. When data are transported to EU level the availability of comparable and harmonized data becomes even more problematic.

- Statistical data are often organized and categorized according to legal provisions, such as articles in legal or penal codes, which are not always relevant from an analytical standpoint.

- Changes in legislation and criminalization hamper the comparability across time and jurisdictions.

Therefore, to develop an estimate of drug-related public expenditure across Europe it is necessary to define a model that best estimates each type of drug-related public expenditure, taking into account these restrictions.

* **Drug related costs embedded into broader policy categories**

Usually the most important part of drug-related public expenditure is embedded in broader expenditure categories (e.g. police services or hospitals) and needs to be estimated with the help of models and secondary data sets. This type of expenditure is commonly referred to as ‘unlabeled expenditure’

* **Comparability of drug related expenses between EU states**

The problems involved in the comparability of drug related expenses makes them even more challenging than the expenses related to general crime, because EU drug policy differ widely among countries, influencing the organization and the responses of the police, court systems, prisons to treatment centers and prevention efforts. Despite the differences in the definitions of legal concepts and the way they collect and present their statistics, the judicial responses also vary widely in all levels of the judicial process.

Comparisons of crime statistics between countries may be affected by a range of factors, including:

• different legal and criminal justice systems;

• the proportion of crimes reported to the police and recorded by them;

• differences in the timing of recording crimes (for example, when the crime is reported to the police, when a suspect is identified, and so on);

• differences in the rules by which multiple offences are counted;

• differences in the list of offences that are included in the overall crime data.

Available database and potential indicators for Drug Related Public expenditures

Five available databases were identified that could provide data for the examination of drug related expenditures. These are:

**1. EUROSTAT**

**2. UN-CTS (Crime and Criminal Justice Statistics)**

**3. SPACE**

**4. European Sourcebook on Crime and Criminal Justice Statistics**

**5. OECD**

Since the purpose of the project is to identify costs related to drug control measures, the scope will be to identify direct costs and data related to the judicial process such as expenses from police, law courts, convictions etc. Below can be found the available data from the databases related to these categories.

1. **EUROSTAT database**

**General government expenditure by function (COFOG)**

COFOG has two levels of classification (United Nations, 2008). The first one classifies expenditure in 10 general functions, one of which is ‘Public order and safety’. The second level classifies expenditure in 69 groups, in which can be found three indicators of interest: Police service, Law Courts and Prisons. The definitions below are provided by the UNODC.

From the general function ‘Public order and safety’:

• **03.1 –** **Police services**

- Administration of police affairs and services, including alien registration, issuing work and travel documents to immigrants, maintenance of arrest records and statistics related to police work, road traffic regulation and control, prevention of smuggling and control of offshore and ocean fishing;

- operation of regular and auxiliary police forces, of port, border and coast guards, and of other special police forces maintained by public authorities; operation of police laboratories; operation or support of police training programmes.

Excludes: police colleges offering general education in addition to police training (09.1), (09.2), (09.3) or (09.4).• ’fire protection services’,

**• 03.3 – Law Courts**

- Administration, operation or support of civil and criminal law courts and the judicial system, including enforcement of fines and legal settlements imposed by the courts and operation of parole and probation systems;

- legal representation and advice on behalf of government or on behalf of others provided by government in cash or in services.

Excludes: prison administration (03.4.0).• ’prisons’,

**• 03.4 – Prisons**

- Administration, operation or support of prisons and other places for the detention or rehabilitation of criminals such as prison farms, workhouses, reformatories, borstals, asylums for the criminally insane, etc.

1. **UN-CTS Crime and Criminal Justice Statistics**

One of the key tasks of UNODC is to produce and disseminate accurate statistics on drugs, crime and criminal justice at the international level. UNODC also works to strengthen national capacities to produce, disseminate and use drugs, crime and criminal justice statistics within the framework of official statistics. Data produced by UNODC have multiple sources. Member States regularly submit to UNODC statistics on drugs (through the Annual Report Questionnaire) and crime and criminal justice (through the annual Survey on Crime Trends and Operations of Criminal Justice Systems). Other data are collected through national surveys implemented by UNODC in cooperation with national governments or are compiled from scientific literature. UNODC also applies scientific methods to maximize the comparability of the data and estimate regional and global statistics.

1. **SPACE**

SPACE unites two related projects: SPACE I provides data on penal institutions and the population held in custody, as well as on certain conditions of detention, while SPACE II collects information on persons serving non-custodial sanctions and alternative measures.

Data are collected every year by means of two questionnaires sent to the equivalents of the Ministries of Justice, the Penitentiary administrations and the Probation authorities of each country in Europe. The collection and validation of these data then takes place at the University of Lausanne, where analyses and interpretations for both projects are formulated through a common methodology. This methodology aims to allow comparisons among States at the European level, by proposing SPACE categories instead of each country’s own national categories, while still including questions regarding the particularities of their specific sanctions and measures. The SPACE project produces two annual reports: SPACE I – Prison populations and SPACE II – Persons serving non-custodial Sanctions and Measures, presenting the data collected and the key points of the results.

1. **European Sourcebook on Crime and Criminal Justice Statistics**

The Sourcebook contains data from 41 European countries regarding the criminal justice systems. The book is structured by six main chapters covering different stages of the judicial system: Police statistics, Prosecution statistics, Conviction statistics, Prison statistics, Probation statistics and, for the 2014 edition, a final chapter on National Victimization Surveys. The data provided is systematically accompanied by texts and notes relative to the specificity of each country and discussing the different challenges attributed to the comparison of the data.

1. **OECD Database**

The National Accounts of OECD Countries, Main Aggregates covers expenditure-based GDP, output-based GDP, income-based GDP, disposable income, saving and net lending, population and employment. It includes also comparative tables based on purchasing power parities and exchange rates. Data are shown for 34 OECD countries and the Euro area. Country tables are expressed in national currency.

- Social Expenditure Database

- The Aggregated dataset is a subset of the OECD Social Expenditure Database (SOCX) database, has been developed in order to serve a growing need for indicators of social protection and social policy. It includes reliable and internationally comparable aggregate statistics on public and mandatory and voluntary private social expenditure. It provides a unique tool for monitoring trends in aggregate social expenditure and analysing changes in its composition. The main social policy areas are as follows: old age, survivors, incapacity-related benefits, health, family, active labour market programmes, unemployment, housing, and other social policy areas

It would be possible to estimate the public expenditure on convicted offenders (for drug related offences) by applying the proportion of the convicts to the national public expenditure on law courts from the EUROSTAT. A similar procedure could be applied for the estimation of an intermediate stage in the judicial process that is between police and court levels, by involving data from the criminal cases handled by the prosecuting authorities (also classified by offence in the Sourcebook). Another possible exploration could be at the first stage of the judiciary process by aggregating total numbers of offences including drug offences recorded by police with the general expenditure on Police services by EUROSTAT. Finally, an examination of the public expenditure on drug-law offenders in prison including pre-trial detainees could be estimated by applying the proportion of prisoners sentenced for a drug-law offence to the national public expenditure on prisons of the EU countries.

Related material and tables from all 5 databases have been uploaded to the share space in the section Public Expenditures. Furthermore, I have been in contact with Dr. Kevin Knight Associate Director for Criminal Justice Studies on the Institute of Behavioral Research, leading researcher in the field of drug offenders and studies in prisons in the U.S., and with Dr. Peter Delany Director, Center for Behavioral health Statistics and Quality at SAMHSA and Ms. Janet Heekin who leads coordinates a number of SAMHSA database searches. Due to the holiday period we have agreed to consult during the following weeks.