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Public expenditure on supply reduction - Review

Overall

The topic of the text is highly relevant for the publication on 'Effects and associated costs of drug control policies'. Providing examples of (the results from and the methods used in) public expenditure studies from different countries can inspire other countries to start PE studies as well.

The conclusions are well written and clear.

Structural remarks

This being said, the text's appeal to the reader who is less familiar with executing PE studies would increase considerably if: 1) some concepts are defined more clearly; 2) the results of studies in particular countries are reported on with more consistency; 3) recommendations are elaborated on for readers wanting to start a PE study.

1) Clarity of some concepts, from the start of the text

In the defining concepts, I suggest the authors already include the main concepts and add all of the relevant concepts for PE studies, as well as their definition/delineation. This is important since PE studies do not always use the same concepts which limits a cross-country comparison. More concrete:

- What is the difference between PE and social cost?
- What is the difference between direct costs and public expenditures?
- The difference between labelled and non-labelled expenditures is crucial and it should be already explained in the concepts section (now it is explicitly discussed on p. 7). In this context, surprisingly, the authors do not discuss the difference between pro-active and reactive expenditures, since government has limited impact on the reactive budget (cf. Moore, 2008). In fact, on p. 4, in the paragraph on 'allocation to drug-related activities' it seems the authors are only discussing the pro-active (labelled?) budgets?
- The authors only distinguish between police, law courts and prison services in the text. Why do they not include the prosecution level? (there might be good reasons for excluding this

level of the criminal justice system, in that case I would at least indicate why the choice was made to exclude the prosecution level).

2) Consistency in reporting results from country studies

As indicated above, providing concrete examples of country studies is highly informative (p. 10-14). However, the authors should report the results in a more consistent manner.

2.1. For each study, the country where it was executed should be added.

2.2. For each study, the applied methodology should be added (using the same concepts as discussed in the concept section at the start of the text).

E.g. the study of Croatia is mentioned (p. 11) without providing any details on methodology; again, on p. 12, the Croatian study is reported on, yet this study is described rather vaguely, and it is difficult to understand how the Croatian researchers executed their study.

Overall, it would be highly informative if the authors could add information on the way in which the percentage of **a particular fraction** (SAF) was established, for each of the PE studies that used a SAF (since this is an important challenge in PE studies as most countries do not produce separate drug-related budgets, as the authors rightfully stress).

E.g., in p. 13, in the French study, a SAF of 10 % was applied; it would be interesting to know how the French study established this fraction.

2.3. For each study, if possible, the results should be added for each study (ideally, the % should be added for each study).

E.g. in the study of Genetti 2014, results are included, but not in the study of Moolenaar (p. 10)

E.g. the study of Italy (p. 13): no results are discussed

Obviously, some of the information on applied methodology and/or specific results are not reported on by the authors of the country studies. This cannot be helped by the authors of the text under review. I do suggest that the authors of the text indicate this (in a footnote).

3) More detail and more recommendations

For readers who are not (that) familiar with PE studies, the text sometimes could be confusing. It is clear that the authors of the text have a lot of expertise in PE studies, yet, this will not be the case for most of the readers. Therefore, I would suggest to add more detail in some parts of the text and to focus more on recommendations for readers wanting to start a PE study.

3.1. Add more detail

p. 5: What does the following sentence mean: “It should be noted, however, that the same service may serve multiple policy purposes and double counting should be avoided.” I doubt whether this sentence will be clear to the reader who is not familiar with PE studies.

p. 6: the definition of Reuter (2006) is added as ‘an alternative definition’. What is the reader to conclude from this: can the reader ‘choose’ which is the most appropriate definition? Could the authors give more guidance for the reader on how to interpret this definition?

p. 21: reference is made to Reuter (2006) once more, as COFOG ‘contrasts’ with the four-category division by Peter Reuter. Could the authors reflect on this contrast: is this problematic (or not?)

p. 12: “Another frequently used approach is reporting the value of spending per number of problem drug users. In this case, authors take into account the dimension of the drug problem. Reporting all these complementary measures of drug-related public spending will increase economic meaning and utility of the estimates.” Are the number of problem drug users a relevant measure when focusing on supply reduction PE (and the discussion on pro-active /reactive budget) or is it more relevant when studying *demand* reduction PE?

3.2. Focus more on recommendations

p. 7: “When defining attributable fractions, the data used should preferably be publicly available international databases. This would guarantee possible replications of similar estimates in the years that follow. When international sources are not available, publicly available national statistics and data from competent public bodies should be used.” In reading this paragraph, the questions arising are: Are these international data available? If not, could the authors give an example/recommendations on what data should be present/included in international databases to allow for the establishment of a fraction?

The same goes for p. 14, when EUROSTAT is discussed. The authors state “this dataset does not publish data on specific spending on drug-related public initiatives.” Could the authors indicate what data should be present/included in the Eurostat database?

The same goes for the different databases in annex I: can the authors indicate whether data (or ideally fractions) on drug related expenditures are included in the databases and if not, what categories/data should be added to the databases to allow for PE studies on drug supply?

Adding these recommendations could stimulate the (international) debate on PE studies.

One more example on p. 11-12: do the authors recommend the use of a range of estimates?

Overall, I would suggest the authors provide more clear recommendations for countries wanting to start a PE study, as they do for instance in the case of GDP (on p. 12).

References

Overall, except for the parts of the text when reference is made to individual studies, the text only refers to literature to a limited extent. I do not know if this is in line with the style of the entire

publication. If this is the case, the authors can disregard this remark. If not, I would suggest the authors use more – diverse and scientific – references.

Style and language

In the text, some writing errors should be corrected;

E.g. in the references, 'Koop' should be Kopp

p. 2: examples of sectoral model; the funding of prisons to (?) drug law offenders

p. 7: the data used should preferably be publicly available in international databases

p. 14: digragated (do not know what this is)

p. 14: probably 'induded' should be 'included'?

The text uses UK and US English; I would advise to stick to UK English.

Minor remarks/questions

p. 2: what is meant by 'problematic drug dealers'?

p. 5: what might be the role of 'government funded private actors' in the field of supply reduction?
This part seems more relevant for the study of PE on demand reduction.

p. 8: "Versatility: the methodology enables an analyst to forecast how costs may change as a result of a reduction in service usage or demand and how these costs change over time." It seems this advantage is not tailored to the PE on supply reduction, but is more linked to PE on demand reduction?

p. 10: "Lievens et al. (2016) estimated drug-related expenditure on customs based in the proportion that drug-law violations represented from the total number of violations registered by primary services ...". I guess the authors mean 'police' (as this paragraph is part of the 'police'-subtitle)? What is meant by 'primary services'?

p. 11: "Unlabelled costs to combat drug abuse in the prison system can be estimated using the share of convicted prisoners for drug related offenses of overall convictions." I do not see how the share of convicted prisoners for drug related offences could be a measure for 'combatting drug abuse in the prison system'?

p. 13: the study of Italy: the authors indicate 'three different sources of information were used', yet they discuss *four* sources?

Remark on structure:

The structure of the text is not always clear: the order of the (sub)titles does not seem to be logical sometimes. Perhaps this is just a matter of the layout of the (sub)-titles.

E.g. 'labelled and non-labelled expenditure' (p. 7): is this a subtitle of 'methodologies for estimation'?

E.g. on p. 7-8: the advantages of the top-down and bottom-up approach are bold, yet there are no subtitles on the top-down and bottom-up approach?