



Improving police services: Evidence from the French quarter task force[☆]

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ABSTRACT

This study sheds light on the improvement of police services by examining the French Quarter Task Force (FQTF) – an anti-crime program in New Orleans' French Quarter. First, we provide new evidence that increasing police presence is effective in crime prevention. Our difference-in-differences estimates suggest that the FQTF, which increased police visibility in the French Quarter, reduced robberies, aggravated assaults, and thefts by 37.4%, 16.9%, and 13%, respectively. Second, our findings imply that the proper use of monitoring and incentive strategies has the potential to further improve police services. Exploiting the program's change in management, we find that providing officers with more monitoring and performance incentives led the FQTF to reduce robberies by 22.12 and aggravated assaults by 5.56 each quarter.

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1. Introduction

Police services – the front line against crime – are one of the most important public goods and are vital to public safety. Each year, public sectors around the world spend billions of dollars on police services. In the United States alone, the annual expenditure has exceeded \$100 billion in maintaining over half a million sworn police officers and an increasing number of militarized police units (Justice Policy Institute, 2012). In order to fight crime and address citizens' needs, the provision of police services has gradually incorporated a wide range of tactics (e.g., community policing, problem-oriented policing, and intelligence-led policing) and technologies (e.g., closed circuit television system, enhanced criminal history database, and in-car camera system) (Byrne and Marx, 2011; Plant and Scott, 2009). However, today's rapidly-changing world keeps presenting new challenges to policing, including rising citizen expectations, shifting demographics and crime patterns,

and some of the most significant budget cuts in decades (Accenture, 2013; KPMG, 2015).

This study sheds light on the improvement of police services by examining the effect of a novel anti-crime program in the French Quarter, the most popular tourist attraction in New Orleans, Louisiana. This program – the French Quarter Task Force (FQTF henceforth) – was initiated in March 2015 by a millionaire resident, Sidney Torres, in response to a shortage of police officers and a rise in violent crimes in the French Quarter. The FQTF aims to combat crime by increasing police presence in the French Quarter: hiring off-duty police officers to proactively patrol the French Quarter in all-terrain vehicles for 24 h a day, 7 days a week. One feature of the FQTF is that Torres brought the monitoring and incentive strategies from his private business to the management of the program, including tracking patrol officers with a Global Positioning System (GPS) and enforcing the dismissal of underperforming officers. The FQTF was first managed by Torres, from March 23, 2015 to June 21, 2015, before it was handed over to the public sector, which largely abandoned his monitoring and incentive strategies.

In estimating the effect of the FQTF on crime, we compare crime trends between the French Quarter and other neighborhoods in New Orleans, before and after the launch of the FQTF. Thus, this difference-in-differences (DD) strategy allows us to distinguish the program effect from the effect of other confounders. In particular, we focus on street crimes that are potentially susceptible to the additional police patrol provided by the FQTF – robbery, aggravated assault, burglary and theft – in the spirit of Draca et al. (2011). Our estimates suggest that the FQTF significantly reduced robberies, aggravated assaults, and thefts by 37.4%, 16.9%, and 13%, respectively. While we also estimate a large

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reduction in burglaries (51.4%), the effect is not statistically significant. According to our back-of-the-envelope calculation, the statistically significant crime reductions translate into an average efficiency gain of approximately \$1.1 million each quarter, or \$4.4 million per year, which far exceeds the estimated operating cost of running the FQTF (approximately \$0.22 million each quarter). In addition, we exploit the FQTF's management handover and compare the crime effects of different management practices. Our results indicate that the privately managed FQTF, which imposed more monitoring and incentives on officers, significantly reduced robberies and aggravated assaults by 22.12 and 5.56 more each quarter, respectively, than the publicly managed FQTF.

Notably, we find strong evidence that the estimated negative crime effects of the FQTF are causal. First, consistent with the DD identifying assumption, we find little evidence of diverging crime trends before the FQTF was launched. Second, our results are robust to controlling for a rich set of neighborhood-level socioeconomic factors. Third, our statistical inference uses a permutation strategy to account for the potentially understated clustered standard errors, which could arise from the fact that the French Quarter is the only treated unit (Conley and Taber, 2011). Fourth, we provide evidence that our estimates are not likely to be confounded by spatial crime displacement. Finally, our falsification test shows that the FQTF had no significant impact on homicide, which is a non-street crime that is not expected to be affected.

Moreover, we interpret the other finding – that the privately managed FQTF reduced more crimes – as the consequence of using more effective monitoring and incentive strategies, which appears to be the only major difference between the privately and publicly managed FQTF. We find consistent evidence of shirking behavior during the public management period, when there was less monitoring and weaker performance incentives. We further rule out major alternative explanations, including officers' rational response and the novelty effect.

Our study makes several important contributions to the literature. First, it provides new evidence that increased police presence can improve police services by reducing crimes. Thus, we contribute to the already voluminous economics of crime literature on the effect of police on crime (Levitt, 1997, 2002; McCrary, 2002), which recently has found other causal evidence (DeAngelo and Hansen, 2014; Di Tella and Schargrodsky, 2004; Draca et al., 2011; Klick and Tabarrok, 2005). Second, our study is one of the first to provide empirical evidence that the monitoring of and incentives for police officers can improve crime prevention. The important policy implication here is that the appropriate use of these strategies has the potential to improve the provision of police services in general. Thus, our study joins the large body of literature on principal-agent theory and the broad incentive literature (Hart and Holmstrom, 1987; Laffont and Martimort, 2009; Maskin and Laffont, 1982). In particular, it joins the strand of literature on the use of monitoring and incentives (Cornelli et al., 2013; Duflo et al., 2012; Knez and Simester, 2001; Nagin et al., 2002). Finally, in examining the private management of the FQTF, this study is closely related to the emerging literature on the private provision of police services (Brooks, 2008; Heaton et al., 2015; MacDonald et al., 2015) and to the growing literature on the private provision of public goods in general (Andreoni, 1988, 1989; Bergstrom et al., 1986; Boycko et al., 1996; López-de-Silanes et al., 1997; Levin and Tadelis, 2010). In our case study of the FQTF, we show that police services achieved better crime prevention when they were managed by the private sector.

The remainder of the paper is organized as follows. Section 2 provides a brief introduction of the FQTF. Section 3 outlines the identification strategy. Section 4 describes the data used in the analysis. Section 5 presents the main results and additional exercises. Section 6 concludes.

2. Background

The French Quarter, a 0.66-square-mile neighborhood consisting of 78 blocks (6 blocks wide and 13 blocks long), is the oldest part of the

city of New Orleans. It is a registered National Historic Landmark as the only intact French Colonial and Spanish settlement remaining in the United States.¹ Today's French Quarter is the most popular tourist destination in the city, which provides a unique blend of historical architecture, art galleries, museums, restaurants, and bars, attracting millions of visitors from all parts of the world every year.

In the French Quarter, police services are provided by the 8th District, one of the eight police districts of the New Orleans Police Department (NOPD).² The 8th District police officers patrol the French Quarter 24 h a day, 7 days a week (in clearly marked vehicles) in order to deter crime, respond to calls for assistance, and address other community needs, according to the NOPD Operations Manual *New Orleans Police Department* (2015). The manual also outlines the basic monitoring and incentive strategies that the NOPD uses to ensure efficient policing. Each officer's performance is monitored by his or her immediate supervisor, who is ultimately responsible for the completion of the assigned duties. In addition, the officers are required to submit detailed self-reports of their daily activities, including arrests, patrols and citizen contacts. Monitored performance is a crucial component of an officer's annual performance evaluation, ultimately determining one's promotion possibility.

Around early 2015, several high-profile violent crimes combined with a police shortage in the French Quarter led residents to demand from the government more police to protect tourists and residents (Troeh, 2015). Among those residents was Sidney Torres, a millionaire who made his fortune in the garbage collection business in the French Quarter after Hurricane Katrina. Following the robbery of his 8000-square-foot French Quarter mansion in December 2014, and another robbery of a neighboring bar three months later, Torres produced a TV commercial blaming Mayor Mitchell Landrieu's administration for "the failures of not protecting the French Quarter" (Amsden, 2015).³ Landrieu responded by challenging Torres to take action: "It is not as easy as Mr. Torres says. He made millions and millions and millions of dollars off of garbage contracts in the French Quarter. Maybe he should just take some of that money and do it himself if he thinks it's so easy. It's just not."⁴ Torres took the challenge and partnered with the city government to launch an anti-crime public-private partnership – the French Quarter Task Force.

The FQTF is designed to combat crime based on a straightforward idea: increasing police presence in the French Quarter. It assembled a 24/7 proactive patrol group formed by up to three off-duty NOPD officers. They patrol the streets of the French Quarter driving Polaris all-terrain vehicles (ATVs) (Fig. 1) donated by Torres. The FQTF, which intends to be a supplemental program rather than a supplanting one, thus adds additional officers to the existing NOPD officers who police the French Quarter. Each day, the FQTF performs six four-hour patrol shifts: the 7 pm–11 pm and 11 pm–3 am shifts (three officers per shift) and four other shifts between 3 am and 7 pm (at least one officer per shift). The Task Force officers – who wear regular NOPD uniforms, carry weapons, and have arrest powers (McFadden et al., 2015) – are expected to perform their detail work in the same manner as the on-duty NOPD officers. The recruitment of these Task Force officers follows the procedures for hiring NOPD officers for secondary employment activities, as laid out by the City of New Orleans *Office of Police Secondary Employment (OPSE)* (2017). First, the OPSE posts Task Force openings and interested officers choose among the available shifts. Next, the OPSE uses an automated computer system to assign the eligible officers based on a set of criteria which include, in order of priority, an officer's number of secondary employment hours, total

¹ <http://www.frenchquartercitizens.org/a-history-of-the-french-quarter/>.

² The 8th Police District provides police services for two neighborhoods; the other is Central Business District.

³ <https://www.youtube.com/watch?v=EGahOQzSPo>

⁴ <http://wgno.com/2015/01/07/sidney-torres-slams-mayor-landrieu-on-french-quarter-crime/>

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