The effects of hate groups on hate crimes

Ken Yahagi

July, 20, 2017

The effects of hate groups on hate crimes

Ken Yahagi [*]

July, 20, 2017

Abstract

This paper presents a simple theoretical model to analyze the relationship between hate groups and hate crimes. This paper focuses on two important roles of hate groups; as a provider of membership benefit that are beneficial for only participants of hate criminal activities and as a coordination device with leadership. This paper shows that this interactive situation implies the possibility of multiple equilibria of the crime rate. This result explains why hate crimes and extreme criminal activities vary across communities and with the times and why the social shock such as 9/11 resulted in a rapid increase of hate crimes. Moreover, if hate groups work as a coordination device, the existence of hate groups may increase hate crimes. This result supports recent empirical results analyzing relationships between hate groups and hate crimes.

Keywords: Hate crime, Hate group, Organized crime, Law enforcement

JEL Classification: K42

---

[*]Graduate School of Economics, Waseda University, 1-6-1, Nishiwaseda, Shinjuku-ku, Tokyo, 169-8050, Japan. Email: yhgkn@moegi.waseda.jp

1   Introduction

In decades, economic analyses on hate crimes have been paid attention; e.g., Gale et al. (2002), Dharmapala and Garoupa (2004) and Gan et al. (2011). Gerstenfeld (2004, p.9) introduces the simplest definition of hate crimes; a criminal act which is motivated, at least in part, by the group affiliation of the victim. In broader senses, hate crimes are violent activities with biased motivation directed at individuals based on their ethnicity or social identity.

However, economic analyses to explain whether hate groups are associated with hate crimes are scarce. According to The Southern Poverty Law Center (SPLC), characteristics shared by all hate groups are that they have beliefs or practices that attack or malign an entire class of people, typically for their immutable characteristics; major hate groups in the United States are the Ku Klux Klan, the neo-Nazi movement, racist skinheads, neo-Confederates, black separatists, antigovernment militias and Christian Identity adherents. Rise of hate groups in the United States since the turn of the century is documented by SPLC (2016)[1]. What are the hate groups activities? Gerstenfeld (2004, p.131) picked up five activities; Meetings, Rallies, Propaganda, Internet, Organized Political Activity and Socializing. These activities mainly aim to express their ideology for attracting more supporters and group members and demonstrating their presence in the society. Moreover, what are the important roles of hate groups in the society ? One of them is to provide group members with psychological needs. Woolf and Hulsizer (2004) analyzed the functioning and structure of hate groups in detail. They argue that hate groups can provide psychological needs for group members; a sense of belonging, identity, self-worth and so on. Hence, potential offenders commit crimes out of pressure or the desire to follow their groups and gain acceptance from peers. Additionally, hate crimes are considered as one part of social movement activities. From viewpoints of social movement organizations, hate groups can implicitly/explicitly foster ideological motivations among members and induce them seek to satisfy their ideological needs based on prejudice and biases (Freilich et al. 1999).

Motivated by these observations, we present a model of criminal activities based on Becker (1968) by incorporating two important roles of hate groups; (1) as a provider of membership benefit for group members and (2) as a coordination device with leadership. For (1), offenders obtain additional benefit associated with hate groups after committing hate crimes. We call it as membership benefit. In our model, membership benefit increases as the number of offenders increases. Since extreme ideology grows as those who supports the same thoughts increase, benefit and psychological needs from committing hate crimes also increase. For (2), hate groups work as a coor-

---

[1]According to the SPLC (2016), between 1999 and 2010, the number of hate groups increased from 457 to 1002.

dination device with strong leadership. Group leaders will have an effect on group activities thorough the mass media and other measures (Gerstenfeld 2004, p 132). In our model, one of the effects of leadership is defined as the power to coordinate potential offenders, which is often used in the rational choice theory literature ; e.g., Calvert (1992) and Myerson (2004).

While there are two theoretical analyses of hate crimes, the previous literature does not consider the characteristics of hate groups activities. Dharmapala and Garoupa (2004) develop a model which allows potential victims to have opportunities to avoid being victimized by making costly effort. In this situation, they conclude that the enhanced penalty is justified in order to reduce wasteful activities of potential victims. Gan et al. (2011) develop a model similar to Dharmapala and Garoupa (2004). However, by focusing on the difference between hate crimes and other crimes, they show that the government's optimal policy against hate crimes can be smaller or larger than other crimes depending on the complementarity or substitutability between victim's effort and government effort.

This paper shows that the multiple equilibria of crime rates are possible. By considering membership benefit that depends on crime rates, potential offenders must consider other offenders' decisions. The previous literature of hate crimes does not include this strategic aspect. First, the multiplicity of equilibrium explains why the incidents of hate crimes vary across communities and with the times. Furthermore, the multiplicity of equilibrium gives us the reason why a social shock induces a rapid increase of hate crimes. For example, because the shock such as 9/11 will induce potential offenders expect that other offenders will also engage in hate activities, this shock resulted in a jump from a low crime rate equilibrium to a high crime rate equilibrium[2]. There are some papers that suggest the multiplicity of crime rates; e.g., Ehrlich (1973), Bar-Gill and Harel (2001), Funk (2005) and Kim (2013). Since our model has in common with these papers, our contributions are to reinterpret their model in terms of hate crimes and consider the important role of hate groups as a coordination device.

Furthermore, our model indicates that imposition of harsh penalties against hate crimes are effective because an increase of expected sanctions will work not only for direct deterrence effects against offenders but also for inducing them to expect that other criminals also refrain from committing hate crimes. Hence, imposition of harsh penalties and enhanced penalties against hate crimes and other crimes providing membership motivated benefit are justified compared to other usual crimes. Because of this consideration, we may predict what the equilibrium crime rate will be realized.

---

[2]Crimes against Americans who are Muslim, Arab, or Middle Eastern in California, Colorado and Illinois increased from 2000 to 2001. The effects of 9/11 are summarized in Gerstenfeld (2004, p144).

Finally, our model contributes to understand a theoretical relationship between hate groups and hate crimes. If hate groups exercise leadership, they would attempt to enlarge their influence on the society. Thus, total harm of hate crimes on society will get worse. This result supports the empirical literature arguing that hate crimes are associated with the existence of hate groups; e.g., Mulholland (2013) and Adamczyk et al. (2014).

2   A model

In this section, we introduce a basic model of hate crimes. In this paper, we consider the two important roles of hate groups; (1) as a provider of membership benefit for potential offenders or group members and (2) as a coordination device with leadership. Hence, in the following analysis, we first incorporate membership benefit into a framework of crimes and law enforcement. Then, we consider the role of hate groups in terms of leadership effects and its motivation.

2.1   A model with the membership benefit provider

Following the Becker (1968), we consider risk-neutral individuals who rationally decide whether to engage in illegal activities by comparing the expected benefit from hate crimes with the benefit from legal work. An individual who commits illegal activities obtains the illegal gain b which differs across individuals. Let $f(b)$ be the probability density function of b and $F(b)$ be the probability distribution function of b. $F(b)$ is a continuous and nondecreasing function of b. Moreover, he or she has a risk of being sanctioned with some probability. Thus, there is an expected loss $S \geq 0$. This is defined as the probability of apprehension multiplied by the fine. Individuals who engage in legal work obtain 0 in normalization.

First, we consider the role of hate groups as a membership benefit provider. We assume that membership benefit from committing hate crimes is provided by hate groups. Let $m(\theta)$, where $\theta \in [0, 1]$ is the crime rate, be membership benefit provided by hate groups thorough propaganda such as hate speech, web sites and so on. Furthermore, $m(\theta)$ is a continuous and increasing function with respect to θ. This assumption indicates that only individuals who engage in hate crimes obtain this benefit other than the illegal gain, b, and more criminals will be beneficial for them. This assumption is central to our model. These settings are almost the same as Funk (2005) and Kim (2013)[3].

Before individuals decide whether to engage in hate crimes, they do not know the crime rate. Hence, they must decide based on their expectation of

---

[3]Funk (2005) considers the social norm effects that high crime rates result in less social norm costs. Kim (2013) considers that apprehension probability depends not only on the government effort but also on crime rates.

θ. We assume that all individuals have the same expectation. Individuals commit hate crimes if and only if $b + m(\theta) \geq S$. Therefore, the crime rate is

$$\theta = \int_{S-m(\theta)}^{\infty} f(b)db = 1 - F(S - m(\theta)). \tag{1}$$

Let θ^* be the equilibrium crime rate satisfying $\theta^* = 1 - F(S - m(\theta^*))$. Because of our assumption, the right hand side of equation (1) is an increasing function of θ. Hence, we have at least one equilibrium[4]. The multiple equilibria case is illustrated in Fig.1. The graph of $\theta^* = 1 - F(S - m(\theta^*))$ depends on the characteristics of the probability function of b and $m(\theta)$.
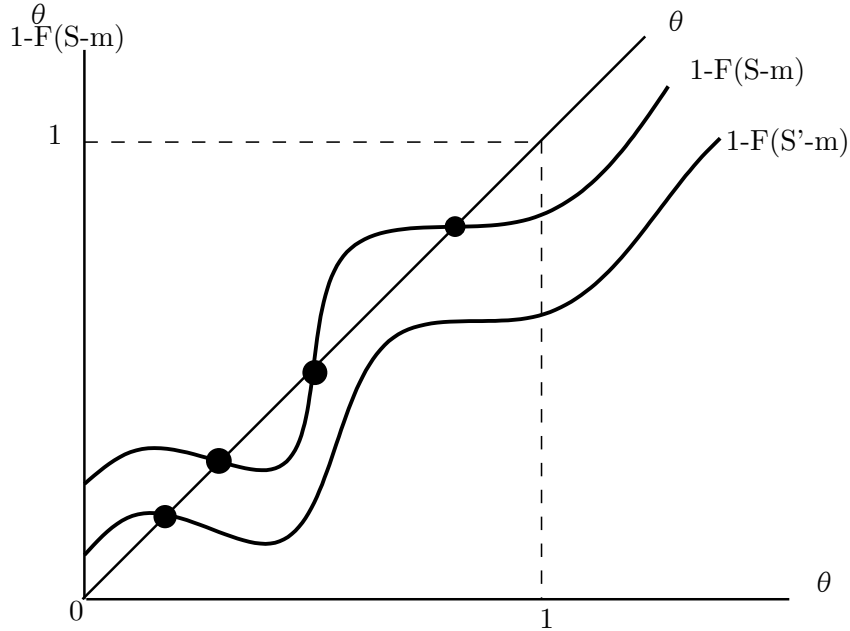

Fig.1 An increase of the expected sanction from S to S'

In reality, not only hate groups but also other social actors can be a provider of membership benefit. We consider two examples. First, some churches play the role of a membership benefit provider. According to SPLC (2015), some churches are counted as active anti-LGBT groups in United States. For example, the Westboro Baptist Church based in Kansas expressed the primary antipathy toward gays and lesbian. Second, some political bodies also play the role. According to Petrosino (1999), many historical incidents committed by the legitimate government can be qualified as hate crimes. This fact indicates that the legitimate authority itself

---

[4] We assume that $0 \leq 1 - F(S - m(0)) < 1 - F(S - m(1)) \leq 1$.

is a main advocate of hate motivated activities. Examples are genocide of Native American, Japanese interment camps and so on.

As long as some social actors can play the role as a membership benefit provider, we have the possibility of multiple equilibria. The existence of multiple equilibria provides an explanation for the regional difference of hate crimes. Although some communities have the same characteristics of population, incidents of reported hate crimes can be differed among communities. Additionally, the number of hate crimes varies depending on the time within one community. The crime rate depends on how individuals expect the decisions of other individuals. This expectation is affected by particular characteristics in each community; e.g., historical contexts, shock of conditions, social actors and so on. It is argued that after 9/11 the number of reported hate crimes increased. According to our model, after 9/11 shocks, because potential criminals tend to expect that other potential criminals will engage in hate crimes, this expectation results in a jump from the low crime rate equilibrium to the high crime rate equilibrium.

The previous literature of hate crimes mainly concerned about the effects and justification of imposition of harsh punishments and penalty enhancement against offenses of hate crimes. We investigate this argument by considering an increase of S and its effect. An increase of expected punishment from S (to S') will make criminal activities less attractive in terms of not only the criminal gain but also membership benefit associated with the number of criminals. Compared to other crimes, imposition of harsh penalties will contribute to reduction of hate crimes and other crimes that are motivated by not only criminal gains but also other additional benefit. After all, since penalty enhancement will work more efficiently compared to other crimes without membership benefit, so government's severe stances against hate crimes are justified.

2.2 A model with the membership benefit provider and leadership

In this section, we also consider hate groups as a coordination device and an equilibrium selection actor with strong leadership. What is the objective function of hate groups? We propose two different possibilities of the objective function; (1) the quantity based objective function type and (2) the quality based objective function type. If hate groups have the quantity based objective function, they attempt to increase their group size and the number of criminals to stress the presence of the groups. It seems that these hate groups are less centralized and authorized organizations with respect to their group activities because the large group size makes groups uncontrollable. In this case, hate groups tend to choose the high crime rate equilibrium. As an example of hate groups working as a coordination device, the Ku Klux Klan was a dominant force of killings and tortures against

African American.

Conversely, if hate groups have the quality based objective function, they attempt to screen out group members to avoid the collective action problem and keep the high quality of group activities and criminals[5]. This motivation of groups is a remarkable feature of centralized and authorized organizations; e.g., right-wing and racist terrorist [6]. For example, according to SPLC (2008), white supremacist leaders attempted to recruit active-duty soldiers and recent combat veterans of the wars in Iraq and Afghanistan because group leaders evaluated their military experience and knowledge. In this case, hate groups tend to screen out participants and choose the low crime rate equilibrium to achieve their successful activities.

In either case (1) and (2), although the presence of hate groups will result in severe social harm, the results of strict enforcement have different implications. In case (1), according to Fig. 1, an increase of the expected sanction from S to S' is effective in our model because the maximal crime rate decreases with the expected sanction S. On the other hand, in case (2), an increase of expected sanction from S to S' makes the minimal crime rate lower. This indicates that because the capable criminals remain in groups, the group activities may become more active. There is a possibility that government's severe stances against hate crimes are not justified.

Let us see other possibilities of hard core violence groups. It is observed that the racist militia movement organized by right-wing racist groups involved in armed conflicts. One of the main motivations for these militia movements are ant-government feelings. In this case, the membership benefit may include the government strategy S. Hence, we may have the modified membership benefit such as $m(\theta, S)$, where $m(\theta, S)$ increases with S. In this modified settings, harsh penalties may result in an increase of criminals. This example is illustrated in the case that the membership is stimulated by the passage in 1993 of the Brady Bill which banned some kinds of weapons (Freilich et al. 1999).

Furthermore, our result contributes to understand the relationship between hate groups and hate crimes. In the empirical literature, there are some papers which examine the relationship between hate groups and hate crimes (Ryan and Leeson 2011, Mulholland 2013 and Adamczyk et al. 2014). Mulholland (2013) and Adamczyk et al. (2014) find that the existence of hate groups is associated with more hate crimes. Since usual hate groups are not centralized, so groups attempt to stress their presence by increasing of crime rates. In this case, our results support these findings with he theoretical analysis.

---

[5]In our model, if we interpret the illegal gain b as the ability of individual criminals, considering the quality is possible.

[6]See Bueno de Mesquita (2005) for more detailed discussion about the case that extreme terrorist groups consider the quality of their activities.

3   Discussion and Concluding remarks

This paper presents a simple model to analyze the relationship between hate groups and hate crimes. This paper focuses on two important roles of hate groups. First, they can provide membership benefit that is beneficial for participants of hate criminal activities. Second, they can work as a coordination device for hate criminal activities. We assume membership benefit should become more attractive as the hate crime offenders increase, then individuals must take expectation of other potential criminals into account. This strategic aspect results in the possibility of multiple equilibria of the crime rate. This result explains why hate crimes and extreme criminal activities vary across communities and with the times. Additionally, the multiplicity of equilibrium gives us one explanation why the social shock such as 9/11 resulted in a jump from the low crime rate to the high crime rate. Moreover, since imposition of harsh penalties and penalty enhancement against hate crimes work more effectively in our model, the government's severe stances against hate crimes are justified. If hate groups also work as a coordination device, they must try to enlarge social harm influences. As a result, the existence of hate groups will increase hate crimes. This result supports the empirical results analyzing the relationship between hate groups and hate crimes (Mulholland 2013 and Adamczyk et al. 2014).

While this paper focuses on only hate groups and hate crimes, the implication of our model also applies to other organized crime activities; e.g., international terrorists and mafias. Although there is a difference between the international and the domestic aspects about terrorism, they have similar characteristics (Sandler and Enders 2004). Previous studies on organized crime and criminal organizations do not consider the effects of membership benefit. Our consideration of membership benefit is important because hate groups and mafias work as a safety network for vulnerable people in society. Since mafias also will work as a membership benefit provider and a coordination device, our results can contribute to understand organized crime activities. To apply to mafia's activities, we may need to change our model because, compared to hate groups, mafias are well organized groups and an entry into mafias are restricted (Gambetta 1993).

References

Adamczyk, A., Gruenewald, J., Chermak, S. M. and Freilich, J. D. (2014). The relationship between hate groups and far-right ideological violence. *Journal of Contemporary Criminal Justice* 30: 310-332

Ben-Shahar, O. and Harel, A. (1995). Blaming the victim: optimal incentives for private precautions against crime. *Journal of Law, Economics and Organization* 11: 434-455

Becker, G.S. (1968) . Crime and Punishment: An Economic Approach. *The Journal of Political Economy* 76: 169-217

Buchanan, J.M. (1973). A defense of organized crime? In: Rottenberg, S. (eds.), *The Economics of Crime and Punishment*, 119-132. Washington, DC: American Enterprise Institute for Public Policy Research.

Bueno de Mesquita, E. (2005). The quality of terror. *American Journal of Political Science* 49: 515-530

Calvert, R. (1992). Leadership and its basis in problems of social coordination. *International Political Science Review* 13: 7-24

Dharmapala, D. and Garoupa, N. (2004) . Penalty enhancement for hate crimes: An economic analysis. *American Law and Economics Review* 6: 185-207

Ehrlich, I. (1973). Participation in illegitimate activities: A theoretical and empirical investigation. *Journal of political Economy* 81: 521-565

Freilich, J. D., Almanzar, N. A. P. and Rivera, C. J. (1999). How social movement organizations explicitly and implicitly promote deviant behavior: The case of the militia movement. *Justice Quarterly* 16: 655-683

Funk, P. (2005). Governmental action, social norms, and criminal behavior. *Journal of Institutional and Theoretical Economics* 161: 522-535

Gale, L. R., Heath, W. C. and Ressler, R. W. (2002). An economic analysis of hate crime. *Eastern Economic Journal* 28: 203-216.

Gambetta, D.(1993) . *The Sicilian Mafia : The Business of Private Protection*. Cambridge, Mass: Harvard University Press.

Gan, L., Williams, R. C. and Wiseman, T. (2011). A simple model of optimal hate crime legislation. *Economic Inquiry* 49: 674-684.

Gerstenfeld, P. B. (2004). *Hate Crimes: Causes, Controls, and Controversies*. Thousand Oaks, CA : Sage Publications, Inc.

Kim, J. Y. (2013). A note on the non-maximality of the optimal fines when the apprehension probability depends on the offense rate. textitEuropean Journal of Law and Economics 36: 131-138.

Mulholland, S. E. (2013). White supremacist groups and hate crime. *Public Choice* 157: 91-113.

Myerson, R. B. (2004).]Justice, Institutions, and Multiple Equilibria. *Chicago Journal of International Law* 5: 91-107.

Petrosino, C. (1999). Connecting the past to the future hate crime in America. *Journal of Contemporary Criminal Justice* 15: 22-47.

Ryan, M. E. and Leeson, P. T. (2011). Hate groups and hate crime. *International Review of Law and Economics* 31: 256-262.

Sandler, T. and Enders, W. (2004). An economic perspective on transnational terrorism. *European Journal of Political Economy* 20: 301-316.

Southern Poverty Law Center.(2008). White supremacist leaders are making a concerted effort to recruit active-duty soldiers and recent combat veterans of the wars in Iraq and Afghanistan, according to a new FBI report. Available at: https://www.splcenter.org/fighting-hate/intelligence-report/2008/fbi-reports-extremists-military

Southern Poverty Law Center.(2015). Active ati-LGBT groups. Available at: https://www.splcenter.org/fighting-hate/intelligence-report/2015/active-anti-lgbt-groups

Southern Poverty Law Center.(2016). Hate map. Available at: https://www.splcenter.org/hate-map

Woolf, L. M. and Hulsizer, M. R. (2004). Hate Groups for Dummies: How to Build a Successful Hate-Group. *Humanity and Society* 28: 40-62.