

## **Abstract**

Main weakness of economics of crime is that it focuses on rational offender who is isolated from society. This thesis gives overview of game theory models, which take into account possible reactions of other actors to offender`s actions. I show that some variables of crime are dependent on individual`s social environment and I analyze them using moral costs of crime, where some gains and losses from crime are interconnected between people. Two own models are presented. First model deals with aggregated crime with significant role of moral costs of crime. Second model is a modification of Inspection game which includes moral costs of crime and is than modeled using evolutionary game theory. Result of first model is higher volatility of crime than in standard models of rational offender. Crime is maximally volatile in time in the second model. There is a critical level of moral costs of crime and after reaching this level, assumptions of inspection game are violated and society converges to state with zero crime. It is demonstrated on both models that crime is a self-propagating phenomenon, because of social interactions.