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Happiness and beliefs in criminal environments

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Happiness and Beliefs in Criminal Environments

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Abstract[*]

This paper uses newly available data to describe the distribution of crime victimization and other criminal activities (including drug trafficking and corruption) around the world. The paper then documents a negative (positive) correlation between measures of criminal activity and happiness and measures of positive (negative) emotions. The paper also studies the correlation between ideological beliefs and criminal activity, finding that crime victims are more likely to believe that hard work does not pay and that the government should increase the amount of redistribution to the poor.

Keywords: Happiness, crime, beliefs, income distribution
JEL classifications: C83, I39, K42, Y80

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1. Introduction

It has long been recognized by economists that there are serious costs to crime. Soares (2006), for example, reports estimates of the material cost of crime, including both direct costs and expenditures on criminal justice and crime prevention, in the vicinity of 2.1 of GDP per year for the United States, and 3.6 percent for Latin America (see, for example, Bourguignon, 1999, and Londoño, Gaviria and Guerrero, 2000). Still, there have been relatively few attempts at analyzing crime and welfare in a broad comparative context. One possibility for the paucity of work in this area is that the measurement of crime presence varies across countries due to both the nature of the legal system (and what is classified as a crime) and the efficiency of the police (particularly in reporting crime). Some exceptions include Fajnzylber, Lederman and Loayza (2002a and 2002b) and Soares (2006). The latter in particular reaches high estimates of the value of crime reductions using the "value of a statistical life" (the marginal willingness to pay approach developed in Rosen, 1988).[1]

In this paper we take advantage of a new data set developed by the Gallup Organization to describe the patterns of crime across regions and groups, and then to correlate them to emotional factors and beliefs, which could be helpful in gaining a more complete understanding of the costs of crime. Thus, the first objective of this paper is to describe broad patterns in the incidence of crime across the world, with particular focus on Latin America. A basic question we try to answer is: How does Latin America compare to the rest of the world with respect to crime victimization?

We also study the patterns across sub-groups of the population. Note that differences in victimization cannot be equated with the burden of crime because crime-avoiding activities vary across income groups. As Levitt (1999) explains:

> *"…the natural tendency is to calculate the extra burden borne by the poor as a result of higher crime victimization. Such a calculation, however, would ignore the fact that individuals distort their behavior in costly ways (for example, by moving to the suburbs, investing in security systems, or not going out after dark). Any measure of the burden of crime should incorporate not only the costs of those victimized, but also the investment made to avoid victimization. For example, if crime avoidance is a*

[1] For an approach based on contingent valuations, see Ludwig and Cook (2001).

> *positive function of income (Cullen and Levitt (1999)), then ignoring costs of avoidance will understate the true crime-related burden felt by the rich* (Levitt, 1999, p. 88).

Still, with the available data, we study whether crime victimization differs across income groups, gender or age, noting that these are some of the initial data that are needed in deriving the burden of crime across groups. We also compare these patterns across Latin America and the rest of the word. Work in this spirit is relatively scarce, but Gaviria and Pagés (2002) study victimization rates for Latin American countries between 1996 and 1998, showing that crime tends to affect mostly rich and middle class households living in larger cities. For work studying victimization rates and the burden of crime when potential victims adapt (both by protecting themselves and by mimicking less desirable targets), see Di Tella, Galiani and Schargrodsky (2007).

The second objective of this paper is to investigate to what extent crime victimization can explain changes in beliefs and emotions. The beliefs include confidence in the police, safety if walking alone at night, opportunities available to those who work hard to get ahead and whether the country is a good place for entrepreneurs. The negative emotions include pain, worry, sadness, boredom, depression and anger. The positive emotions (and behaviors) include enjoyment and smiling.

Criminal damages have so far been studied by economists in terms of pecuniary costs to individuals and society, rather than costs in terms of damaging beliefs and emotions. The cost of murder, for example, can be measured by loss in earnings for victims and accumulated public spending on policemen and court personnel to increase the probability of criminal apprehension and conviction (Becker, 1968). The current paper, however, takes a more psychological approach to the analysis of individuals' welfare following criminal victimization by looking directly at the reported subjective well-being of crime victims. This, of course, is unhelpful in evaluating the direct costs of murder but still emphasizes the indirect disutility for surviving individuals. It also highlights a difficulty with more traditional approaches in economics that ignore the consequences of crime on people's view of the world, which is potentially related to their desired degree of government intervention.

Although not yet standard in economics, subjective responses of emotional states have increasingly been applied in studies of, amongst others, unemployment (e.g., Clark and Oswald, 1994; Winkelmann and Winkelmann, 1998; Blanchflower and Oswald, 2004), the effect of income (e.g., Easterlin, 2001), the impact of macroeconomics indicators (e.g., Di Tella, MacCulloch and Oswald, 2001; 2003), general development and poverty issues (e.g., Ravallion and Lokshin, 2001; Graham and Pettinato, 2002).

The link between criminal victimization and well-being has been studied by psychologists and sociologist. A common result from the psychology literature is that crime victims have been shown to suffer from a variety of significant and persistent psychological problems which include, for example, depression, anxiety, fear, and post-traumatic stress disorder as well as feelings of hostility and personal violation (e.g., Atkeson et al., 1982; Davis and Friedman, 1985; Kilpatrick et al., 1985; Frieze, Hymer and Greenberg, 1987; Skogan, 1987; Burnam et al., 1988; Sorenson and Golding, 1990; Norris and Kaniasty, 1994). These psychological symptoms commonly found among crime victims, especially fear and anxiety, are negatively associated with individuals' subjectively measured health (e.g., Ross, 1993) and measures of subjective well-being and overall perceived quality of life (e.g., Michalos, 1991).

Attitudes towards crime in an individual's locality have been found to have a negative impact on reported satisfaction with the neighbourhood (e.g., Hartnagel, 1979; Parkes, Kearns and Atkinson, 2002). Fried (1984) finds that crime is the second most important predictor of life satisfaction after marital status. Furthermore, using Canadian survey data, Michalos and Zumbo (2000) show measures of fear and actual cases of victimization correlate negatively with measures of happiness and satisfaction with life as a whole (see also Powdthavee, 2005, using South African data). Overall, the empirical economics literature on the link between crime and subjective well-being is still relatively small in comparison to studies in psychology on the victim's mental health following criminal victimization.

The structure of the paper is as follows. In the next section we describe the basic patterns in data across countries, and across sub-groups of the population (age, gender, income). In the following section (Section 3), we document the correlation between victimization and well-being and other (positive and negative) emotions. Section 4 documents the correlation between victimization and individual's view of how the world works, and Section 5 offers some concluding thoughts.

2. Patterns of Victimization and Safety Perceptions

The Gallup World Poll (GWP) provides an opportunity to analyze in a comparative way the patterns of victimization and safety perceptions in more than 130 countries in all regions of the world.

Regarding victimization, the poll asks two questions: first, if the interviewed individuals were the victims of a property crime ("Within the last 12 months, have you had money or property stolen from you or another household member?") and, second, if they were the victims of a crime against the person ("Within the last 12 months, have you been assaulted or mugged?"). The GWP also asks for perceptions of corruption, whether in business ("Is corruption widespread within businesses located in [Country] or not?") or in the government ("Is corruption widespread throughout the government in [Country] or not?"). These measures of perceived corruption will be used as explanatory variables later in this paper. A first look at the reported patterns or victimization reveals that Latin America and the Caribbean is the region in the world with the second-highest reported victimization (measured either as having been stolen or mugged), only after Sub-Saharan Africa. Approximately 1 out of every 6 Latin Americans reports having been victim of having money stolen and 1 out of every 9 Latin Americans reports having been victim of mugging within the previous 12 months.

Additionally, the GWP explores safety perceptions of individuals by asking a pair of questions: whether the individuals have confidence in the local police ("in the city or area where you live, do you have confidence in the local police force, or not?") and whether individuals feel safe walking alone at night ("Do you feel safe walking alone at night in the city or area where you live?"). In this regard Latin America and the Caribbean ranks last in the world, as less than half of Latin Americans feel safe walking at home and a similar proportion has no confidence in the local police These data confirm the importance of crime, both the real phenomenon and the associated feeling of insecurity, in Latin America and the Caribbean. We now turn to the patterns in the data across population sub-groups.

2.1 Differences in Victimization and Perceived Safety by Age and Gender

From a gender perspective, Figure 3 shows that reported victimization is higher among males than females. This gender gap in victimization is more pronounced for being assaulted or mugged than for having been victim of money stolen. This is perhaps not surprising given that

females are often perceived as less capable of offering physical resistance. Males and females report higher victimization and worse safety perceptions in LAC than in the rest of the world; within LAC, there are no gender differences in terms of confidence in local police, but some differences about feeling safe walking alone at night (males feel safer).

Reported victimization decreases with age, both in LAC and the rest of the world, but the decline is more pronounced in the rest of the world; reported victimization is higher in LAC than in the rest of the world for all age groups. Consequently the victimization differences between LAC and the rest of the world grow larger for older people. Confidence in the local police increases with age, both for LAC and the rest of the world, being lower in LAC than in the rest of the world for all age groups. While in the rest of the world all age groups feel equally safe (or unsafe) walking alone at night, in LAC, the elderly (people 60 years old or older) feel less safe than the rest of the population.

2.2 Differences in Victimization and Perceived Safety by Income Levels

The GWP asks individuals to report their personal income in intervals denominated in local currency. Based on that, we created a measure of relative income that allows comparability across countries (see the Appendix for a precise definition of the income variable). According to this measure, there are differences in reported victimization and feelings of safety across income groups. People with high income are more likely to report having money stolen than those with middle and low income; however this difference does not apply to being mugged: in this case people with middle income are less victimized less than those with low income, but those with high income are victimized *more* than those with low income. In LAC, both measures of victimization are positively correlated with income, and for every income level, victimization is higher in LAC than in the rest of the world.

Figures 12a-b show that feelings of insecurity and lack of trust in the police are higher in Latin America relative to the rest of the world, and they are increasing with income. Whereas in the rest of the world the lack of trust in the police decreases evenly with the income level, in LAC the difference is stronger between highest income and lowest income than between middle income and lowest income. Figures 13-16 explore these patterns in more detail. Figure 13 shows that victimization for “money stolen” is increasing in income in Latin America (as in all regions of the world with one exception, North America, where it is decreasing in income). The same is

true for violent crime. Figure 14 shows that "mugged" is increasing in income for all regions of the world except North America. Another striking feature of the data is the very large absolute levels of victimization in Latin America, comparable only to African and some war affected countries. Figures 15-16 show a consistent pattern, with feelings of safety and trust in the police being decreasing in income in Latin America.

2.3 Comparing Countries within Latin America

The cross-country differences in reported victimization and safety perceptions are noteworthy. Besides the fact that there are important differences in reported victimization (had money stolen and being mugged in the last 12 months) from 2006 to 2007, several regularities arise. Ecuador is the only country that appears on the top five of incidence of money stolen both in 2006 and 2007; at the other extreme, Nicaragua and Panama are the only two countries that appear in the bottom five of the same type of victimization. There are further regularities in regard to being assaulted or mugged. Venezuela, Honduras and Ecuador appear consistently in the top five of incidence for both years; while Uruguay, Paraguay and Panama appear in the bottom five. It is important to highlight here that we are referring to self-reported measures of victimization, not to effective victimization rates.

The survey for 2007 additionally allows us to explore the presence of gangs and drug dealing in the areas where people live. The countries in which the greatest proportion of interviewed individuals reported the presence on gangs in their areas were Argentina, Uruguay, Belize and Bolivia. Surprisingly, three Central American countries with important presence of *maras* (gangs) ranked at the bottom of the ranking of presence of gangs: Nicaragua, El Salvador and Honduras. The ranking for the presence of drug dealing in respondents' neighborhoods, also surprisingly, places Costa Rica and Uruguay at the top and El Salvador at the bottom.

Safety perceptions and confidence in police has changed less between 2006 and 2007 than the reported victimization measures presented above. El Salvador, Chile and Colombia are the countries that report having the most confidence in police for the region. At the other extreme, Peru and Bolivia are the countries were people have the lowest confidence in local police. Regarding feeling of safety when walking alone at night, Panama, Colombia and Mexico are the countries that have been in the top five for both years, while Bolivia, Brazil and Chile are the three countries that have been in the bottom five in this respect.

3. The Role of Victimization and Safety Perceptions on Emotions

Victimization can directly affect people's perceptions of welfare and their beliefs of how the world works. There are several emotions that are relevant to individual welfare, and we provide a brief analysis of some for which the Gallup World Poll has data. For victimization we take a broad view and include measures of direct victimization, measures of potential victimization where available (such as the presence of gangs and drug dealing in the area), and the incidence of business and government corruption. At the same time, we explore happiness and (positive and negative) emotions as reported by interviewed individuals.

The use of the 2007 wave of the Gallup World Poll allows us to explore important variables that were absent on the 2006 wave, but it limits the sample of countries. In 2006 the GWP sample comprised 132 countries around the world and contained information on the victimization variables described earlier ("money stolen" and "mugged") and the measures of perceived corruption in businesses and governments. In 2007, the GWP added information on corruption, presence of gangs and drug dealing within the neighborhoods where respondents live. However, the available sample at the moment of writing this paper is constrained to the LAC countries; the Appendix provides a detailed description of the GWP samples in 2006 and 2007. It is for that reason that the results are presented for three comparable samples: one corresponding to the World without LAC ("Rest of the World") in the 2006 sample, the second to the LAC 2006 sample and the third to the LAC 2007 sample. In some circumstances the first two samples (rest of the World and Lac in 2006) are pooled and presented together.

Table 1a presents data on happiness and emotions, cross-tabulated with reported victimization and perceptions of corruption, for the whole world in 2006. Table 1b presents cross-tabulations for happiness and emotions, with the presence of elements that threaten peoples' security and perceptions of corruption, for Latin America in 2007. Table 2a presents the cross-tabulation of beliefs and the same reported victimization and perceptions of corruption reported in Table 1a, also for the world in 2006. Finally, following the same structure for the construction of the tables, Table 2b presents the results analogous to those presented in Table 1b but for beliefs.

Results from Tables 1a and 1b show that those who report being victimized and those who report having gangs and drug dealing present in their neighborhoods are less likely to have felt positive emotions (Enjoyment and Smiled/laughed a lot) the day before, and are more likely

to have felt negative emotions (Anger, Physical pain, Worry, Sadness, Boredom and Depression) the day before. These results also stand for those having lower perceptions of corruption in businesses and the government. Results for having felt love the day before are ambiguous: feeling love is positively related to having had money stolen, but negatively related to higher measures of perceived corruption. Concerning beliefs, those not victimized and with lower perceptions of corruption trust more in the local police, feel safer walking alone at night, have better perceptions of the opportunities given by their country to children to learn and to those who want to get ahead by hard work, are more satisfied with the efforts of their country to deal with the poor and are more likely to think that their country is a good place to start a new business.

The previous results are those that arise from simple cross-tabulations. More formal results are obtained after controlling for set of other covariates, as presented in the next three sub-sections.

3.1 The Relationship between Crime and Well-Being

Table 3a presents the correlation between two measures of well being (the Cantril ladder and whether respondents want to have more days like yesterday) and victimization. Whereas the Cantril ladder is subjective, the latter well being variable represents an objective measure of well-being in that it is assumed that a person who wants to have more days like yesterday did not have lower utility than one who says that he/she does not want to have more days like yesterday. The results presented in the table are those obtained after additionally controlling for the presence of elements threatening individuals' security, perception of corruption, income, and a set of socio-demographic characteristics. As mentioned above, the results are presented for three samples: the world without considering Latin America in 2006, with more than 60,000 observations across 91 countries; Latin America in 2006, with more than 10,000 observations in 18 countries; and Latin America in 2007, with more than 9,000 observations in 19 countries. The results regarding the Cantril ladder of well-being are obtained using OLS (ordered probit estimations deliver results that are qualitatively similar), and the results for the other measures of well-being are those obtained from marginal effects after probit.

The relationship between victimization and the Cantril ladder of well-being, after controlling for the set of correlates outlined above, is negative in the world sample, but not

significant in the LAC sample. The relationship between perceptions of corruption and the Cantril ladder is negative both in LAC and the Rest of the World. The situation with respect to the other variable (whether individuals want to have more days like yesterday) is different, as the correlations of this variable with the broad measures of victimization, on the one hand, are negative and significant in all samples; and with the perceptions of corruption, on the other hand, are negative and significant in the Rest of the world but not significant in LAC. These results show that Latin Americans' well-being is negatively affected by victimization and their perceptions of corruption, but not in the same fashion or strength as the rest of the world. Regarding the set of covariates used as controls, besides the finding that income is positively associated with well-being, it is interesting to highlight the positive role of religion, ownership of a telephone line and friendship; it is also important to highlight the negative association of health problems and well-being.

Table 3b explores the correlation of the same set of regressors as in Table 3a but with respect to a measure of changes in economic well-being. That measure is defined as the difference between the relative position of individuals on the 10-step Cantril ladder of General Well-Being at the time of the survey and their retrospective placement on the same General Well-Being ladder five years earlier. As with the Cantril ladder, the relationship between mobility and victimization is negative and significant in the Rest of the World in 2006 but not significant in LAC, either in 2006 or in 2007. Perceptions of corruption in government have a negative and significant relationship with the perceptions of economic mobility for the three samples, and perceptions of corruption in businesses have a negative and significant relationship with the same change in the position in the Cantril ladder for the Rest of the world and the LAC 2007 sample. Regarding the other set of covariates in the regressions, the importance of income, religion, health problems and friendship is preserved (with respect to the regressions that consider the original Cantril ladder on the left-hand side). The two new elements that arise as having a significant relationship with the perceptions of mobility in well-being are living in an urban area (showing a negative relationship with mobility in well-being) and having a job (showing a positive relationship with mobility in well-being).

The evidence on the relationship between crime victimization and well-being deserves further exploration. We turn next to explore the relationship between crime victimization and

emotions that perhaps are elements taken into account when making global evaluations of well-being.

3.2 The Relationship between Crime and (Negative and Positive) Emotions

Tables 4a and 4b present the correlation between crime presence (victimization, presence of threatening elements and corruption) and emotions, negative and positive, respectively. Out of 10 emotions selected, six are considered negative (Anger, Physical pain, Worry, Sadness, Boredom and Depression) and two are considered positive (Enjoyment, and Smiled or laughed). The results reported in these tables are marginal effects after probit models that have been computed using a set of individual socio-demographic controls (see the footnote of the table for details).

All in all, crime victimization, crime threatening and perceptions of corruption are all linked to negative emotions in a positive and statistically significant way. Having being victim of money stolen, being mugged, having gangs or drug dealing in the neighborhood increases the likelihood of feeling anger, physical pain, worry, sadness, boredom and depression. Unlike the results on perceptions of well-being, the comparison between LAC and the rest of the world does not show notable differences in the effects. The effect on negative emotions of having money stolen from one or being mugged is always larger than the effect of having gangs or drug dealing in the area.

As for positive emotions, the relationship with crime is negative, and more intense with mugging than with having money stolen. Comparing the effect of victimization between LAC and the rest of the world does not show a clear pattern: the effect of having money stolen from one decreases in LAC compared to the rest of the world in feeling enjoyment, even though the effect of being mugged on positive emotions always decreases in LAC compared to the rest of the world.

4. The Relationship between Crime and Beliefs

It is reasonable to assume that observing a criminal act, causes a change in an individual's (Bayesian posterior) belief concerning the prevalence of the "American dream" in his/her society. After observing a criminal act, the rational conclusion is that the criminal's view of the world was one where effort did not pay (that is why he turned to crime). This is important because, in one class of models, a person's belief is assumed to be formed through personal experience (see for example, Piketty, 1995). But there is enormous information arising from other people's actions. Of course, exerting effort is unobservable to third parties, but choice of activity often is, including criminal actions. A second reason why crime turns people left in economic matters is that people are less likely to think that the distribution of income in society is fair. After a robbery, the victim (criminal) has less (more) money. Thus, unless one thinks that the criminal is more deserving than the victim, the distribution of income is less fair and the demand for corrective distributive taxation has increased. More generally, however, a greater role for shocks—whether produced at the individual level like crime or at the aggregate level, such as an economic crisis—would tend to move people left. To see why this may occur, consider the following simple process for income,

$$y = \alpha\, e + \eta$$

where y is income, e is individual effort, α is a measure of the "American Dream" (how much effort pays in the current system) and η is a random shock. It follows that the size and variability of the shock are crucial in estimating α under each system. When a quasi-capitalist system is operating and we have an economic crisis, η appears very large and negative to individuals, who may wonder if effort really pays. This calculation can be made formally using rational updating of expected probabilities (see Di Tella, Galiani and Schargrodsky, 2007).

Table 5 presents the correlation between crime presence and beliefs that may affect economic performance (confidence in local police, whether individuals think that people get ahead in their country with hard work, whether individuals think that their country is a good place to live for entrepreneurs forming new businesses and whether individuals are satisfied with efforts of their countries to deal with the poor). As in the previous tables, the results reported in Table 5 are marginal effects after probit models that have been computed using a set of individual socio-demographic controls.

Crime presence has clearly a negative and significant correlation with the confidence on local police, for the Rest of the World and LAC, for 2006 and 2007. Regarding the other beliefs the results also suggest a negative correlation but weaker than the one showed by the confidence in police. One strong effect to note among these results is the negative relationship between the perception of corruption in the government and satisfaction with efforts to deal with the poor.

5. Conclusion

The World Gallup Poll provides us with new evidence on the importance of crime, and a first pass at these interesting data suggests several noteworthy patterns. First, with the exception of sub-Saharan Africa, Latin America is the region of the world where the largest proportion of people report having money stolen and being mugged. Approximately one out of every six Latin Americans reports having been victim of having money stolen, and one out of every nine Latin Americans reports having been victim of mugging within the previous 12 months.

Second, there are interesting patterns across groups. For example, it seems that males are more often victimized than females. In terms, of age, victimization decreases with age in Latin America, but in a less pronounced way than in the rest of the world. Consequently the victimization differences between LAC and the rest of the world grow larger for older people. The income data available has some limitations, but it suggests that people with high income are more likely to report having been victimized (e.g., having money stolen) than those with middle and low income. This is the typical pattern in the world, with the exception of North America, where the rich are less likely to have money stolen.

Third, there is very little confidence in the police in the region. Less than 50 percent of the population reports trust in the police, with few differences across gender and well below the levels of trust observed in other regions. There is also a very high level of perceived insecurity (as measured by the percentage of people who feel safe walking alone at night).

Fourth, lower levels of well-being are reported by those that have been victimized. This is true using subjective well-being data, and the more innovative data included in the World Gallup Poll (on smiles and whether the respondent wants more days like yesterday). The latter seem to contain fewer subjective elements. The size of the effect of victimization on well-being is large, comparable to having a job, and in many specifications bigger. In order to make the calculations it is important to note that, in principle, it is possible to calculate the effect of a violent

environment on those who are not victims of crime. Although a full evaluation would require better data on the aggregate crime, we note that, for example, those that report that gangs are present in the area often report lower levels of well-being, even controlling for victimization.

Finally, there are strong effects of victimization, and perceptions of crime, on people's beliefs. For example, those who report having been mugged or having money stolen also report that they are less likely to believe that effort pays. They are also more likely to believe that the government should intervene to redistribute income towards the poor. Since these beliefs are important in the form of economic organization people choose for their country, it is likely that crime also has political effects. Specifically, it is noteworthy that a large fraction of the electorates in Latin America rejects markets and capitalism, and that there are presently several instances of populism in the region. These results suggest that the region's crime experience is a likely contributor to this tendency.

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Figure 1
Percentage of People who Had Money Stolen/Were Mugged, last 12 Months

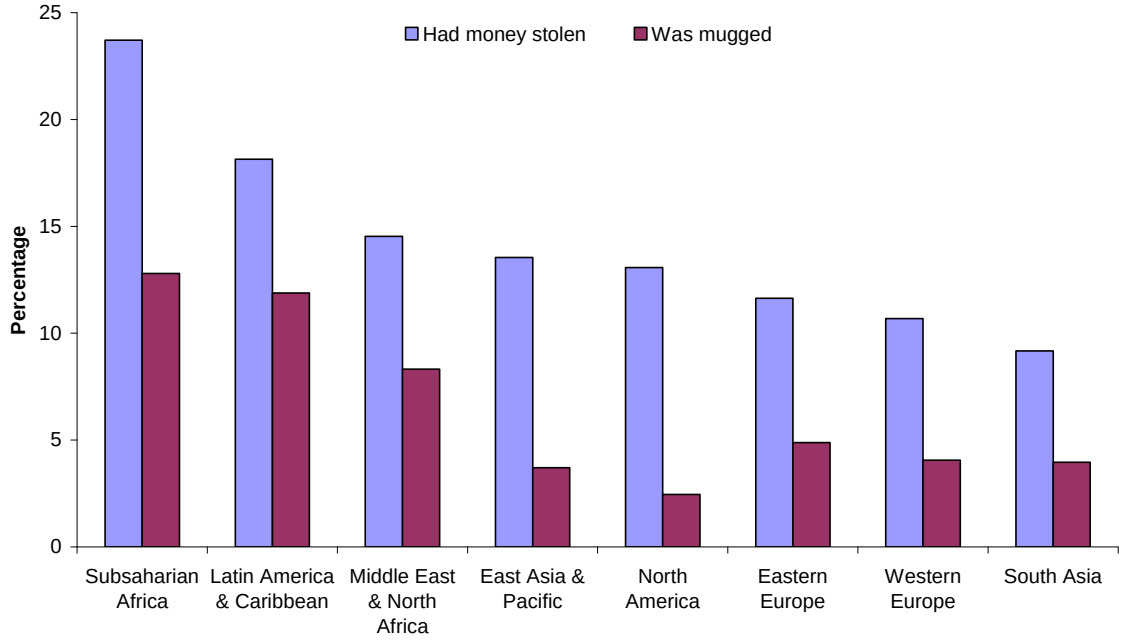

Figure 2
Percentage of People who Have Confidence in Local Police/Feel Safe Walking Alone at Night in City

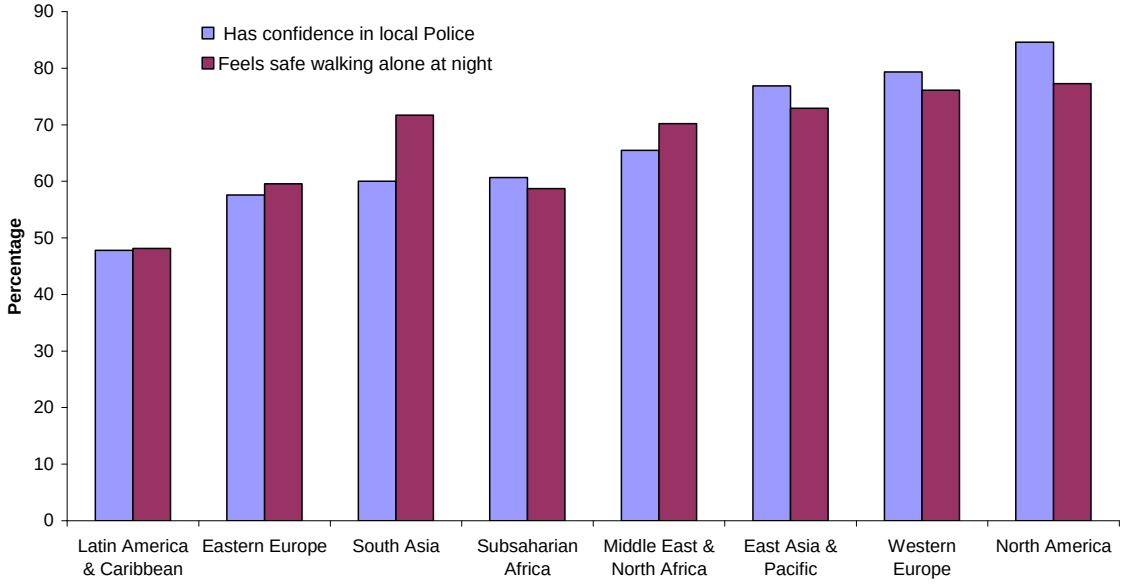

Figure 3
People who Had Money Stolen, last 12 Months, Percentage

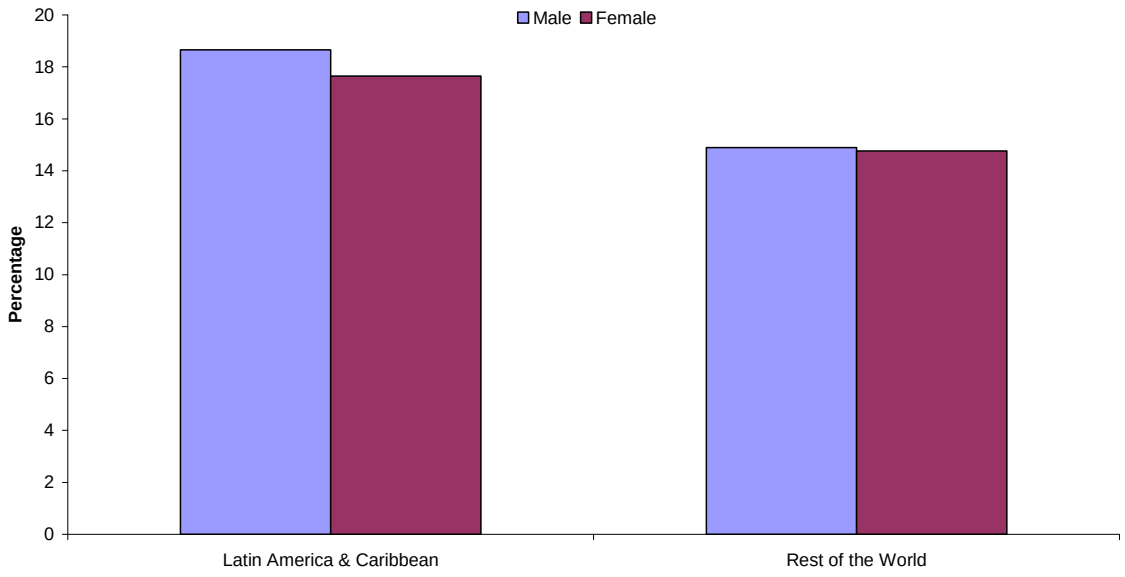

Figure 3a
People who Had Money Stolen, last 12 Months, Percentage

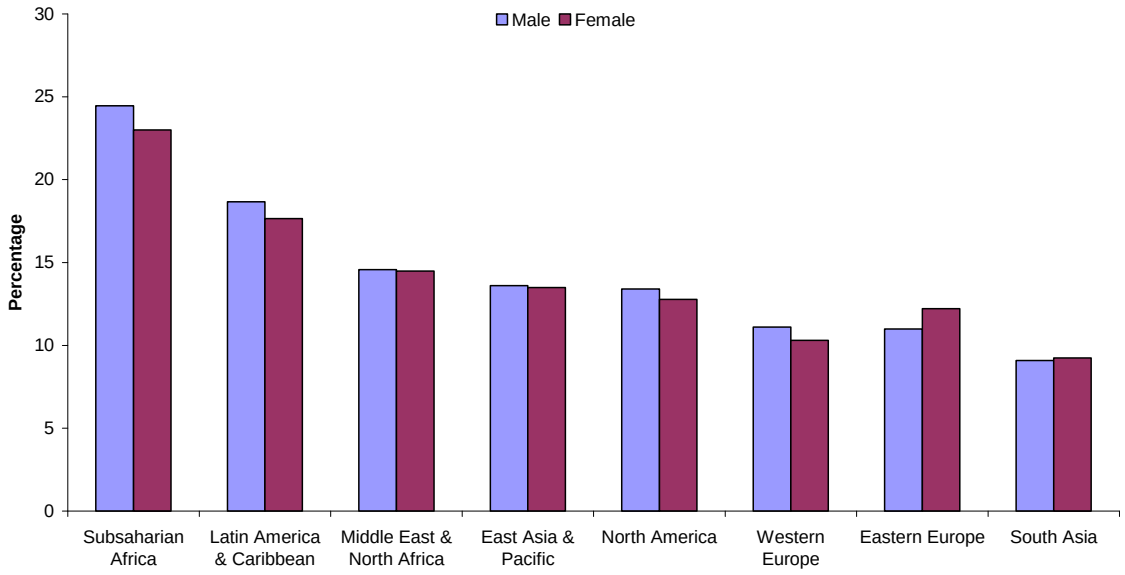

Figure 4
People who Were Assaulted or Mugged, last 12 Months, Percentage

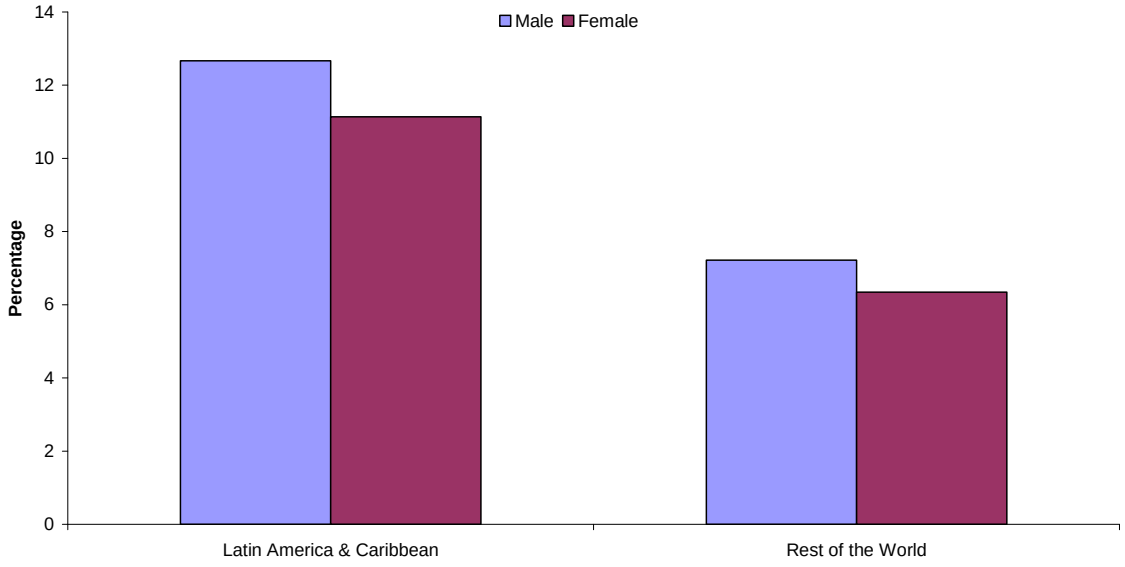

Figure 4a
People who Were Assaulted or Mugged, last 12 Months, Percentage

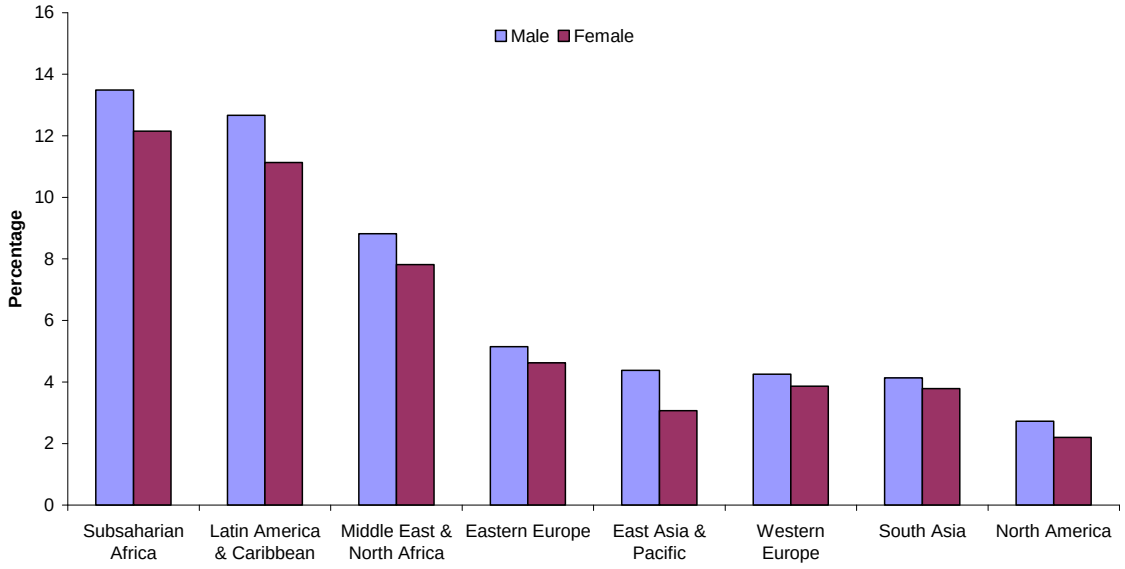

Figure 5
People who have confidence in local police force, percentage

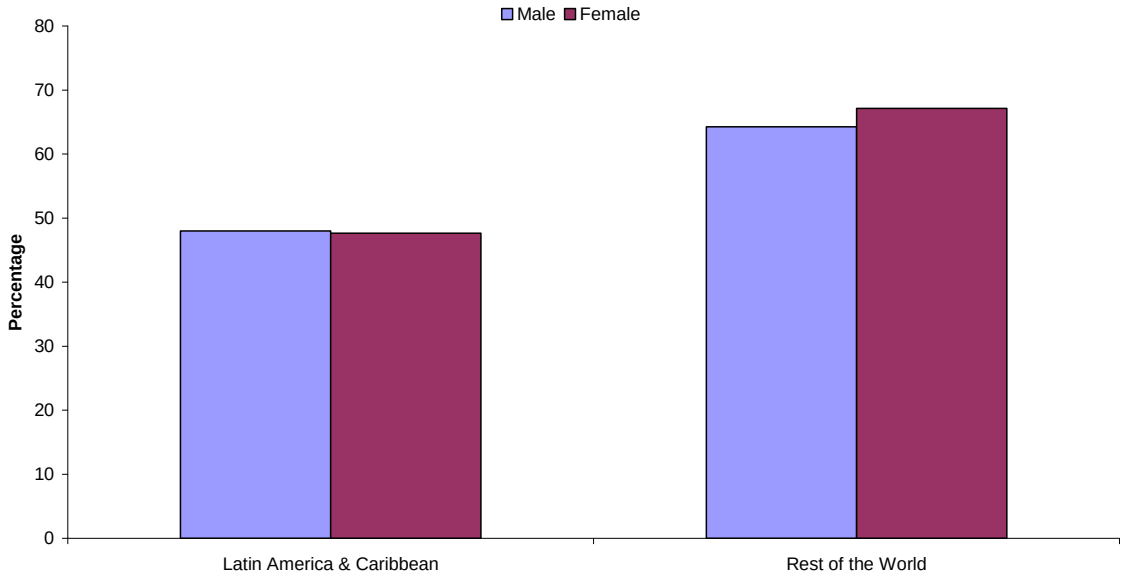

Figure 5a
People who Have onfidence in Local Police Force, Percentage

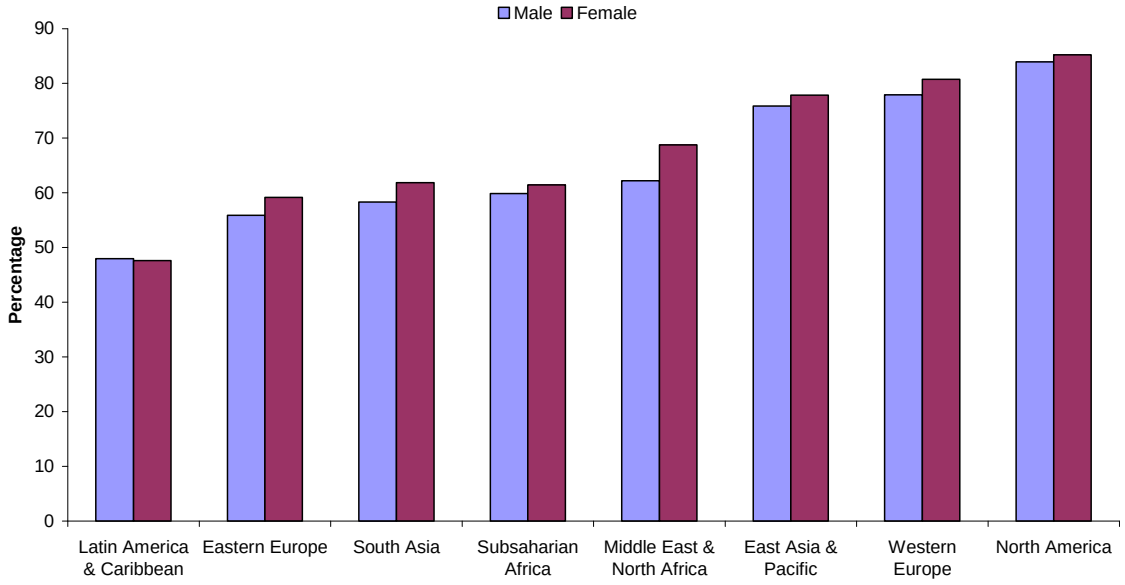

Figure 6
People who Feel Safe Walking Alone at Night in City, Percentage

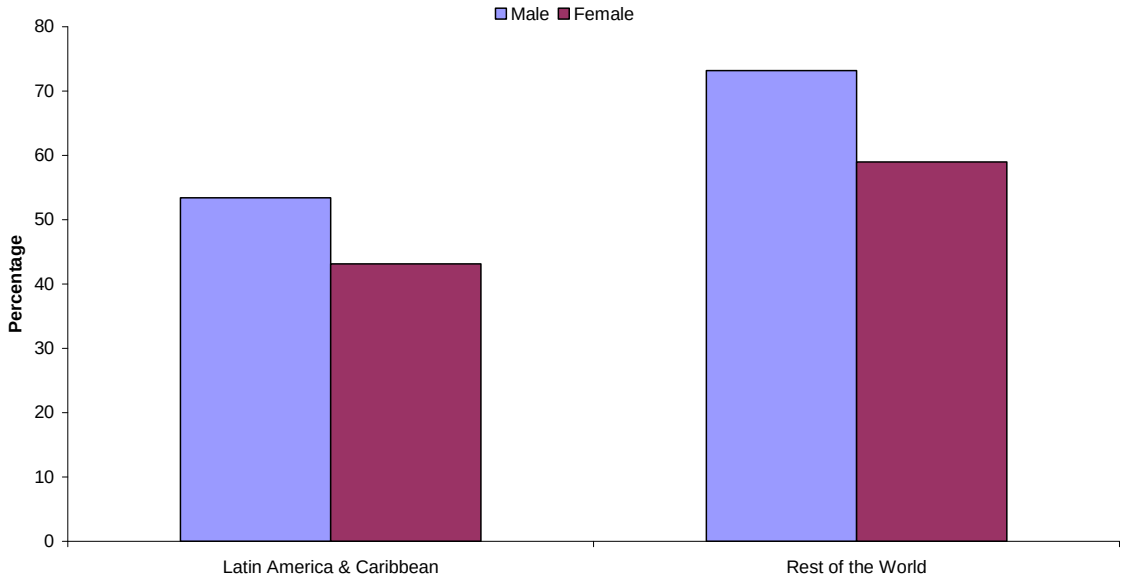

Figure 6a
People who Feel Safe Walking Alone at Night in City, Percentage

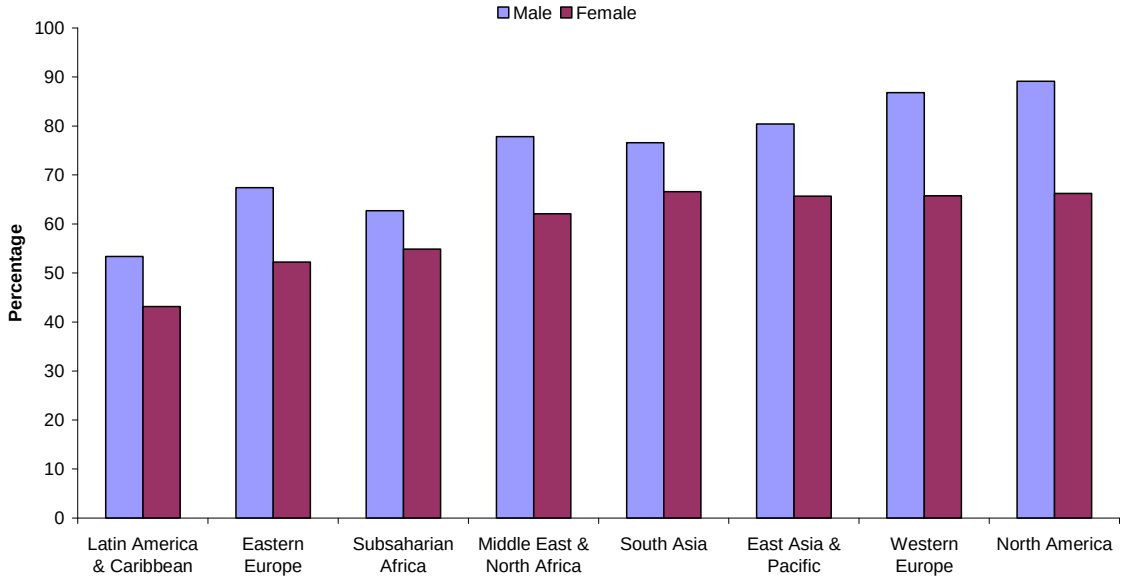

Figure 7
People who Had Money Stolen, last 12 Months, Percentage

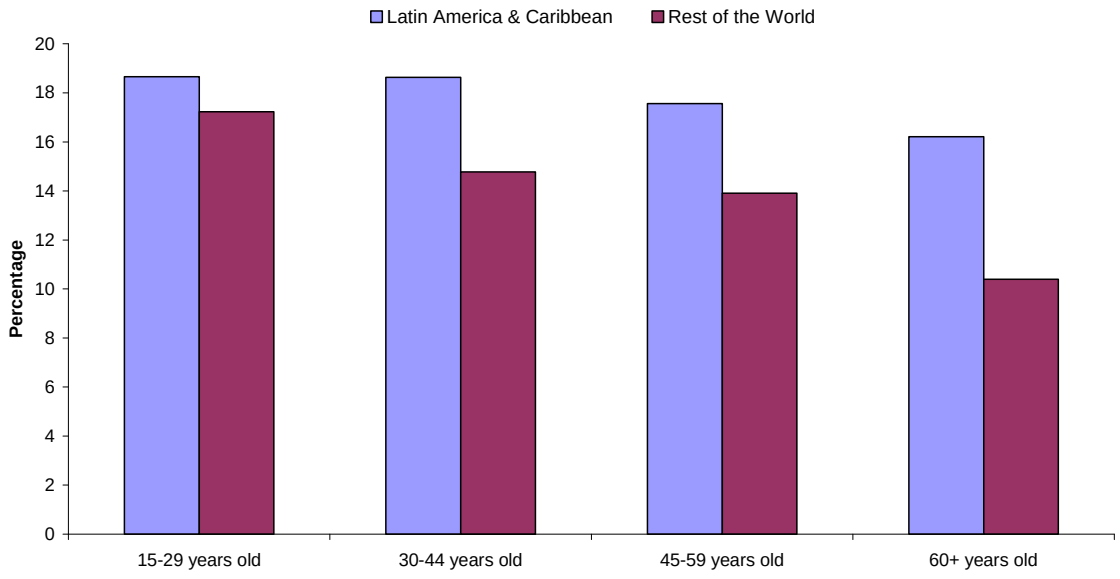

Figure 8
People who Were Assaulted or Mugged, last 12 Months, Percentage

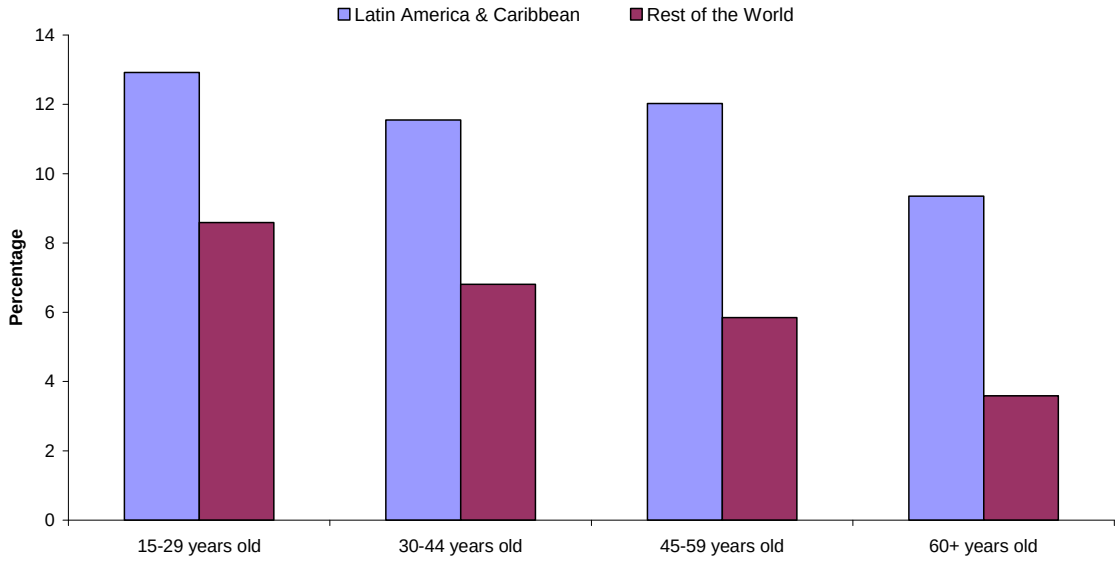

Figure 9
People who Have Confidence in Local Police Force, Percentage

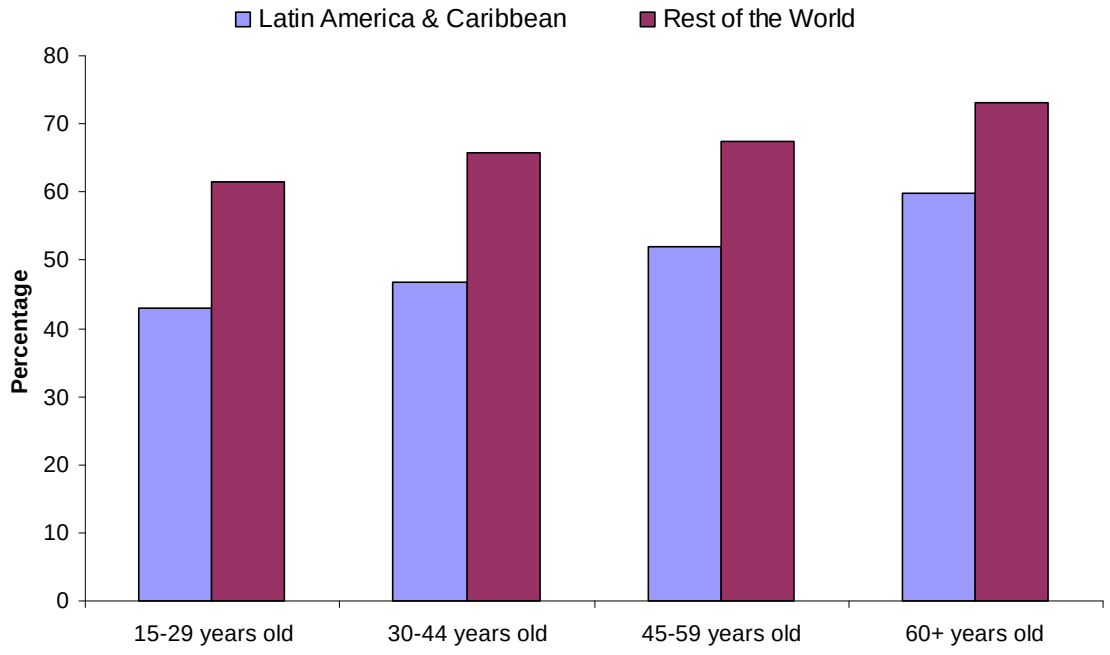

Figure 10
People who Feel Safe Walking Alone at Night in City, Percentage

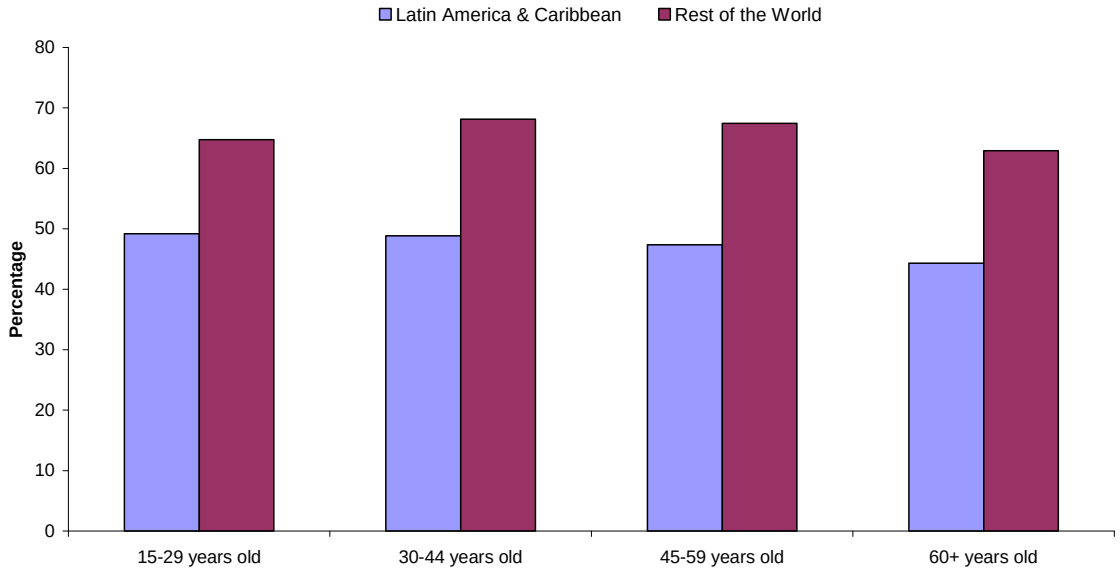

Figure 11
Reported Victimization by Income Levels

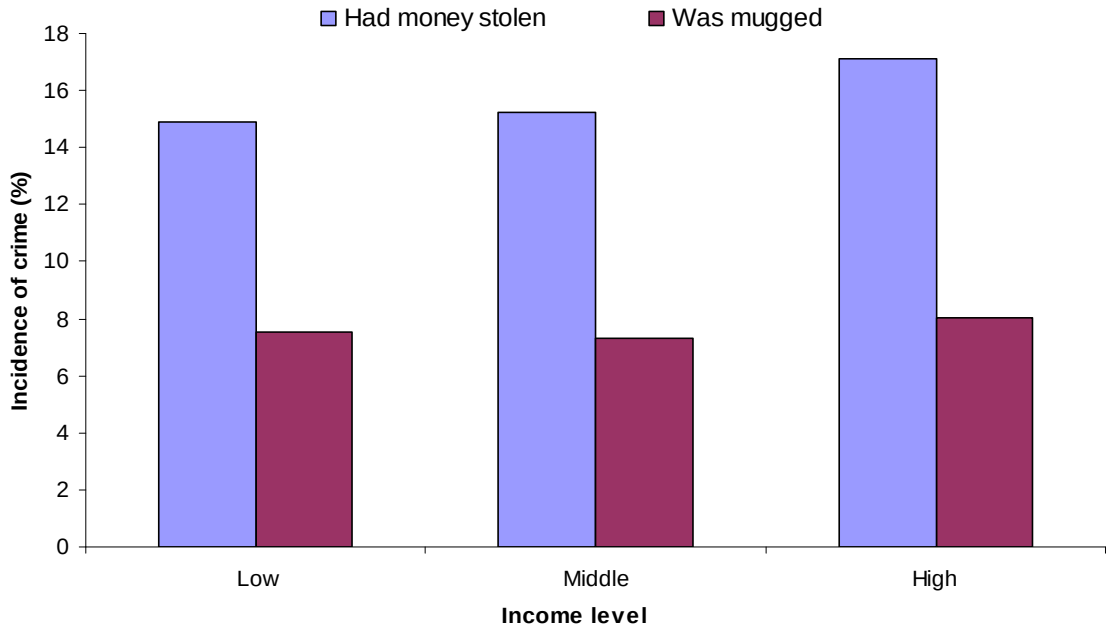

Figure 11a
People who Had Money Stolen, last 12 Months,
by Income Levels

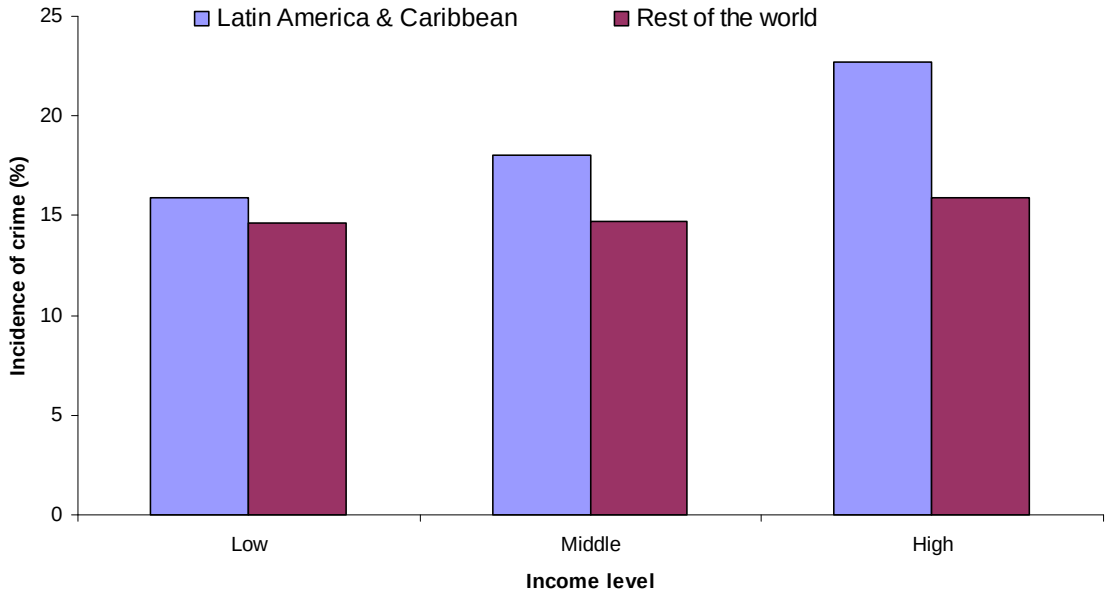

Figure 11b
Reported Victimization - People who Were Assaulted or Mugged, last 12 Months, by Income Levels

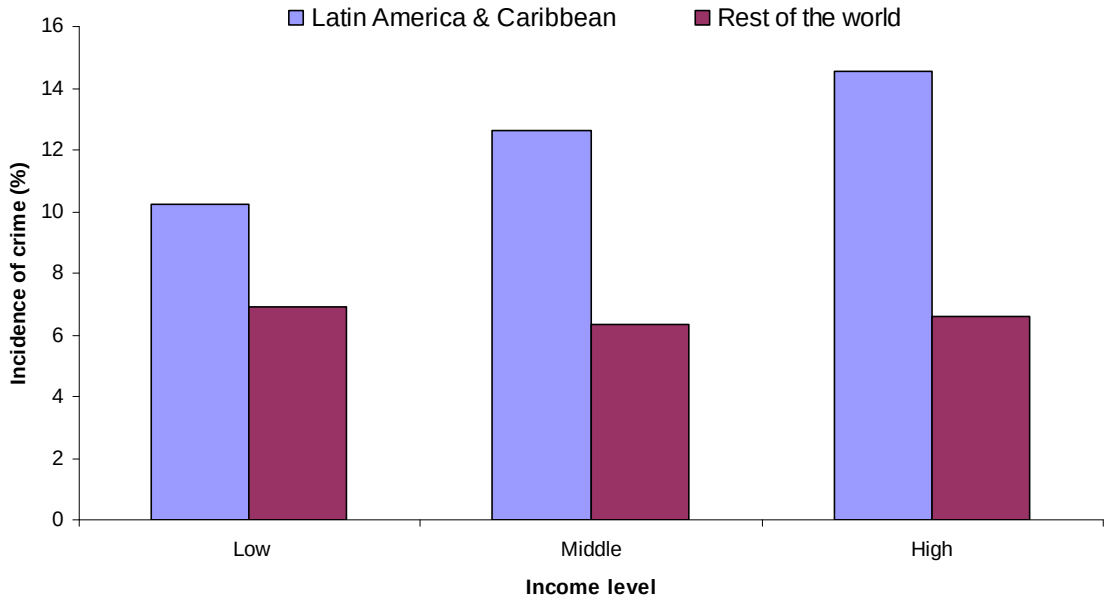

Figure 12
Safety Perceptions by Income Levels

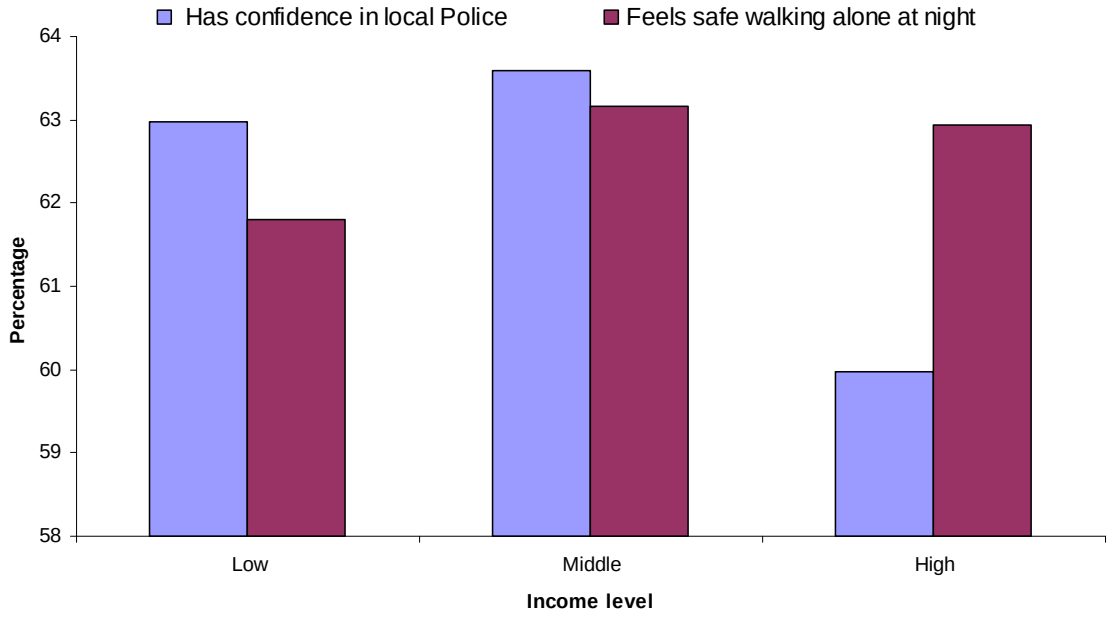

Figure 12a
People who Have Confidence in Local Police Force, by Income Levels

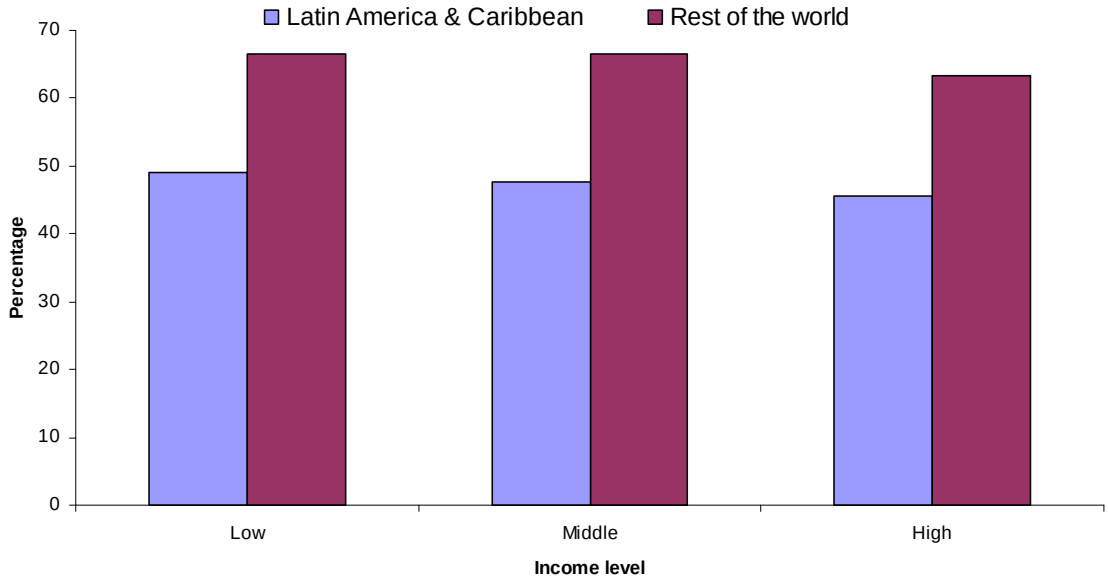

Figure 12b
People who Feel Safe Walking Alone at Night in City, by Income Level

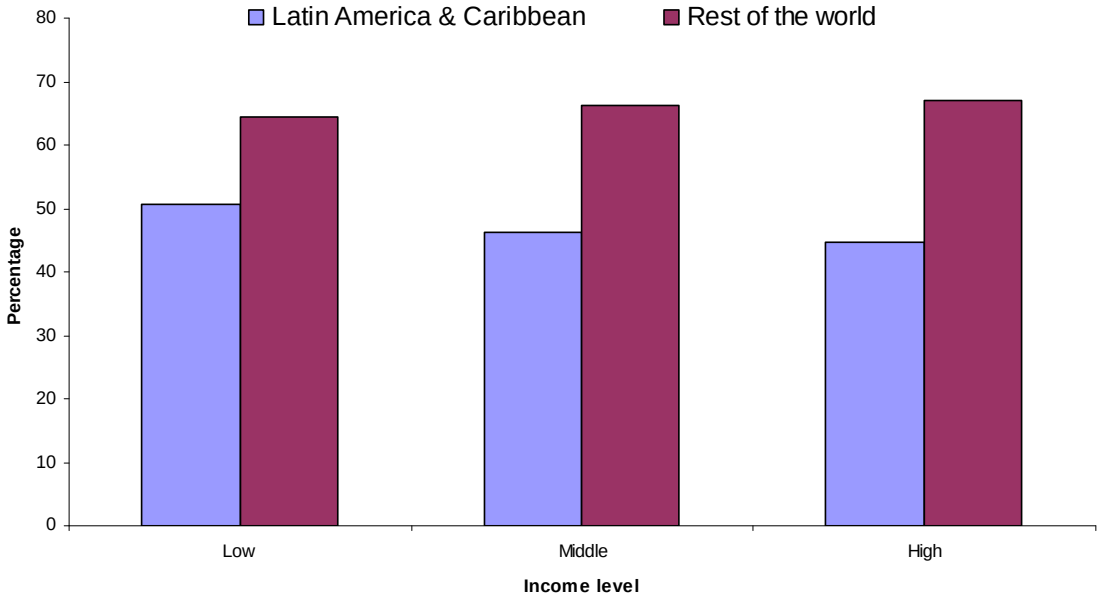

Figure 13
People who Had Money Stolen, last 12 months,
by Income Level

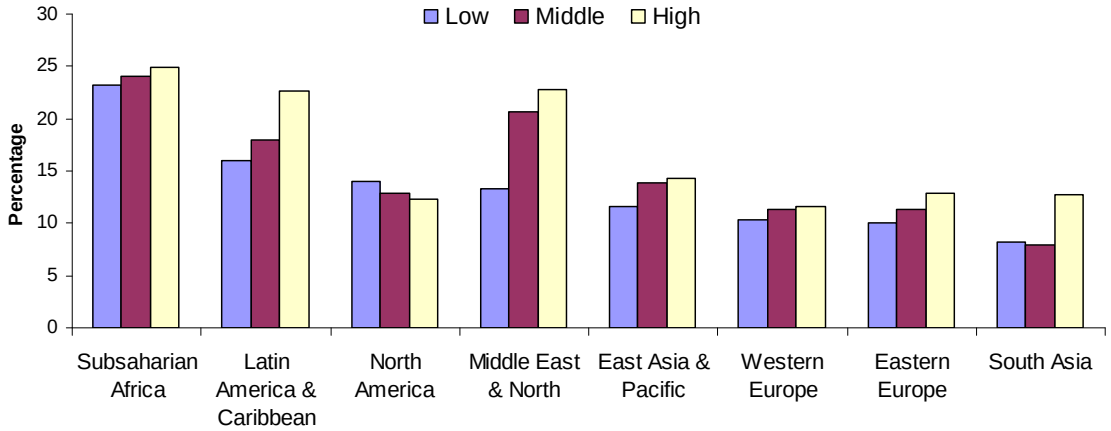

Figure 14
People who Were Assaulted or Mugged, last 12 Months,
by Income Level

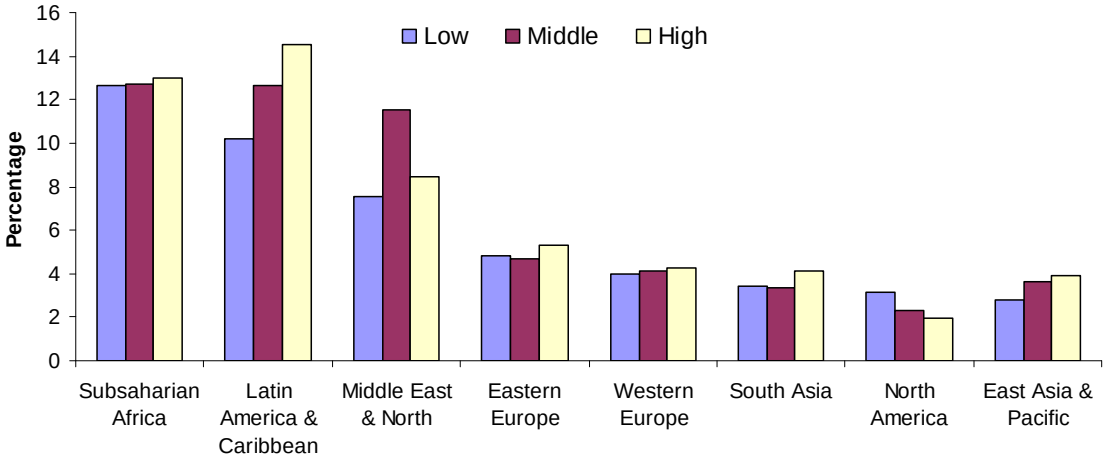

Figure 15
People who Have Confidence in Local Police Force, by Income Level

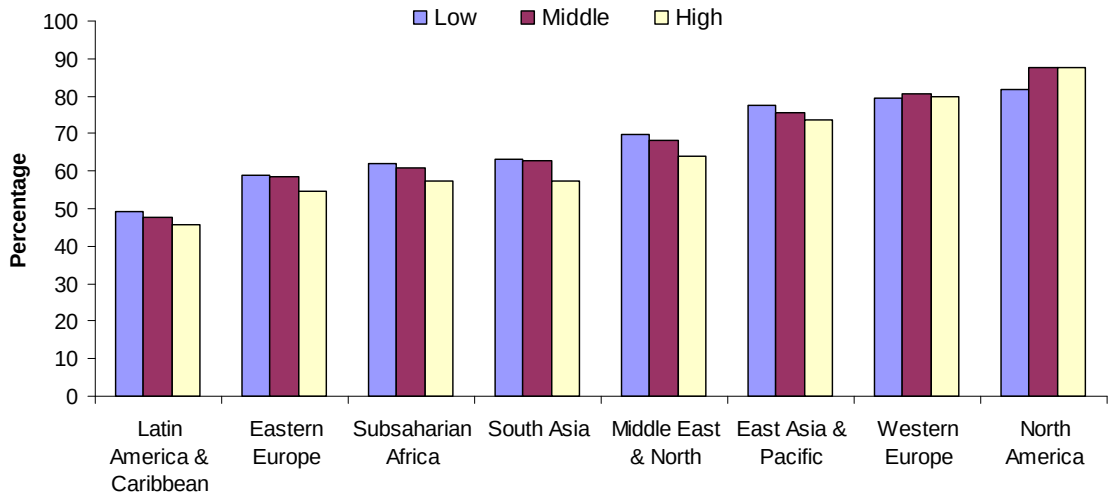

Figure 16
People who Feel Safe Walking Alone at Night in City, by Income Level

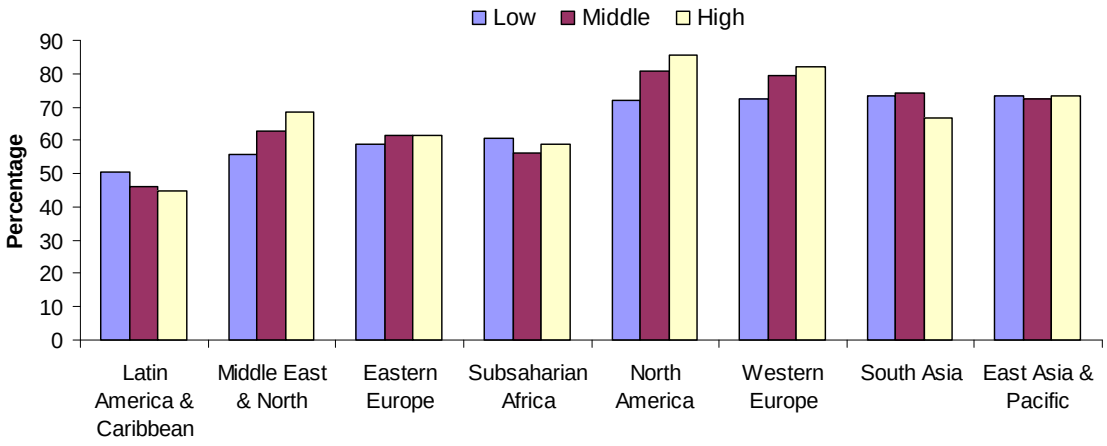

Figure 17
People who Had Money Stolen, last 12 Months, Percentage

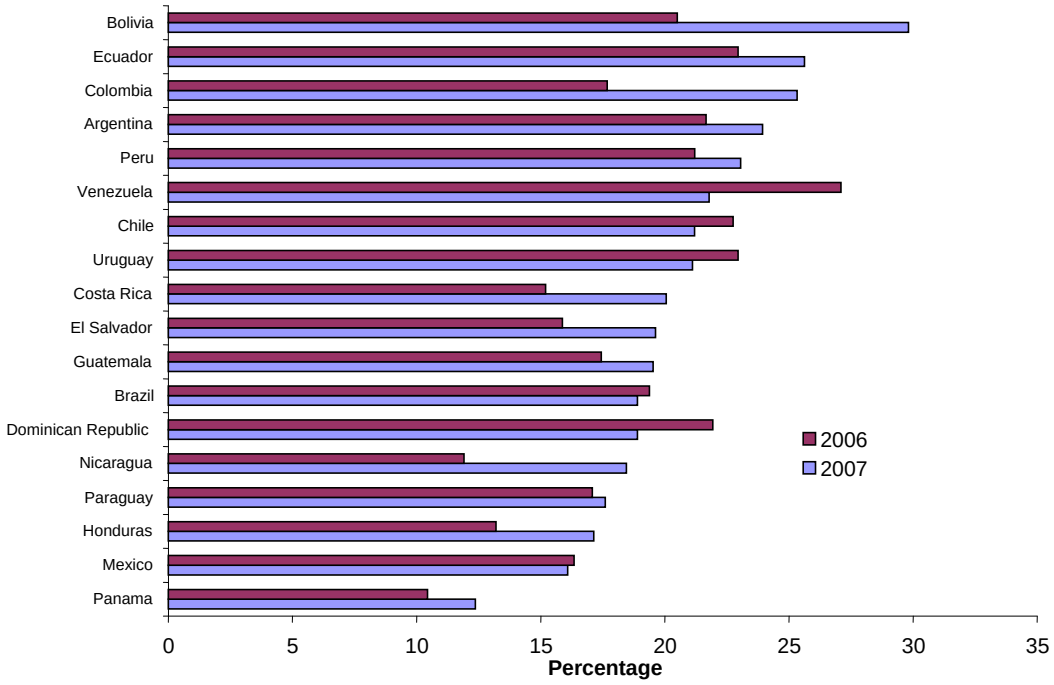

Figure 18
People who were assaulted or mugged, last 12 months, percentage

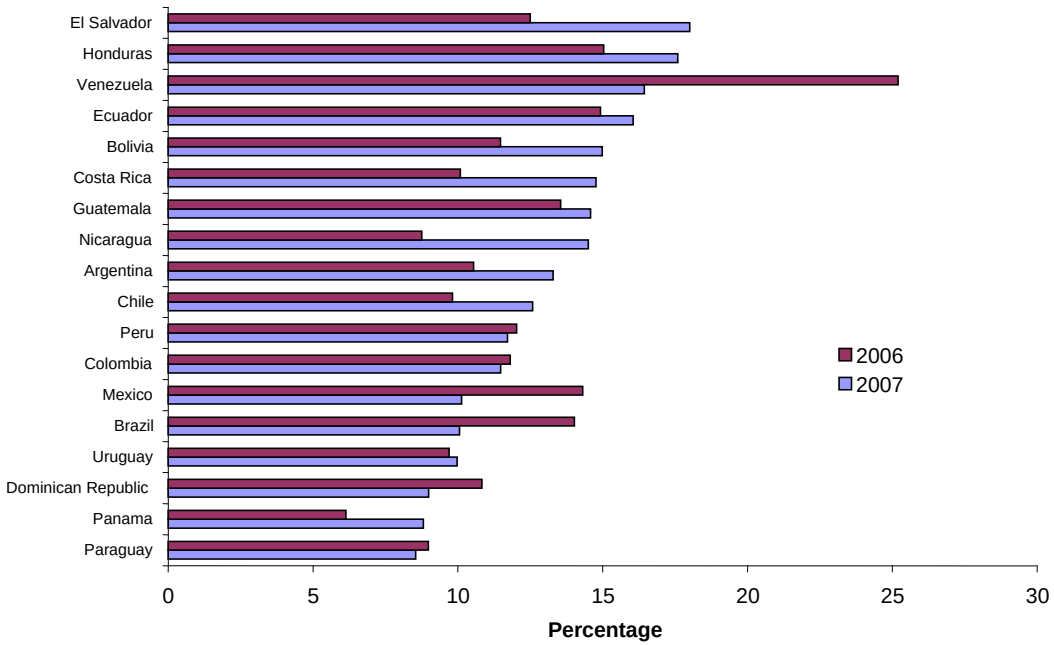

Figure 19
Other Safety Issues, 2007

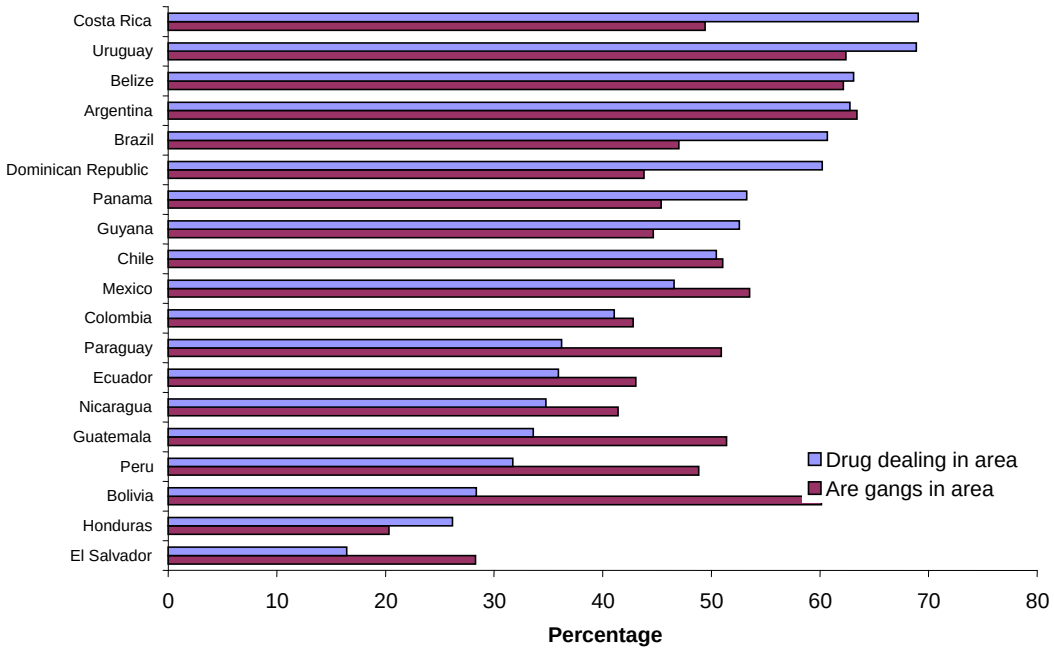

Figure 20
People who Have Confidence in Local Police Force, Percentage

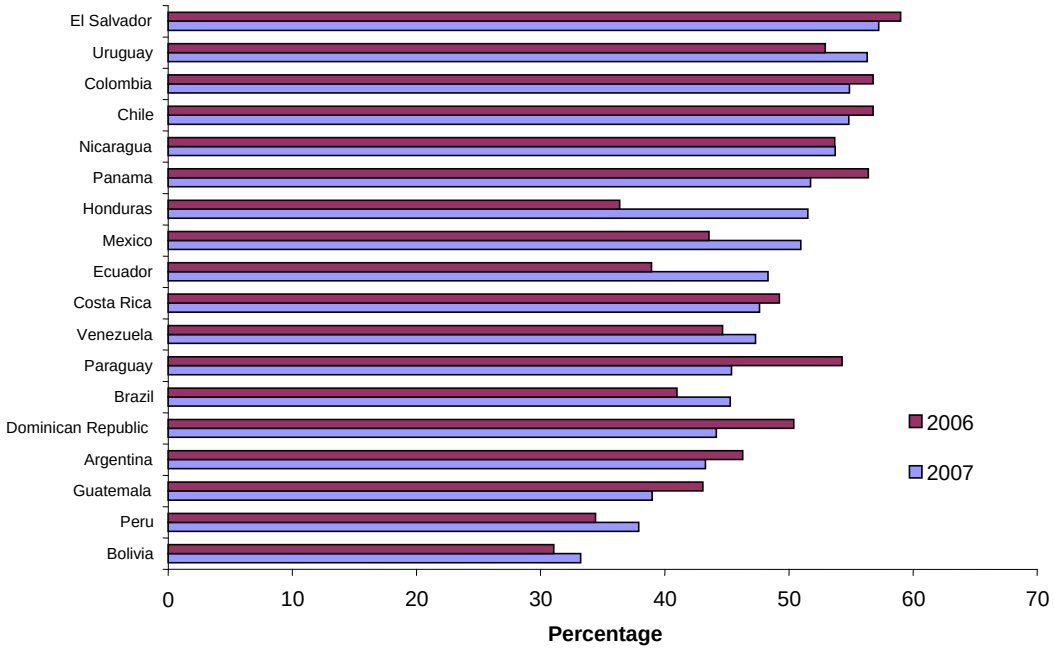

Figure 21
People who Feel Safe Walking Alone at Night in City, Percentage

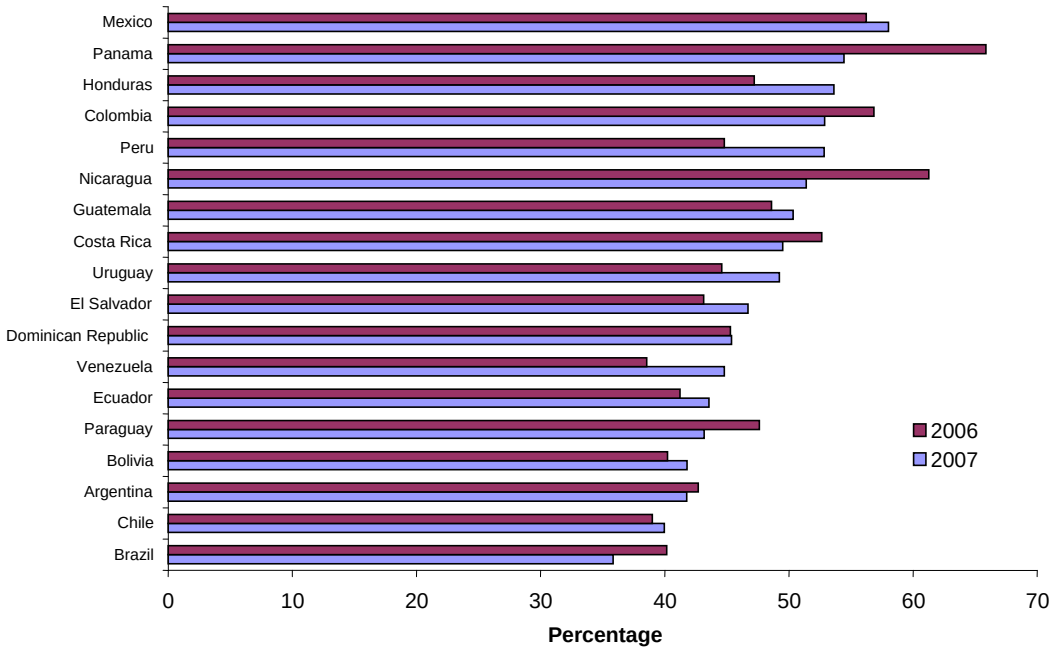

Table 1a. Emotions and Victimization – World 2006

	Total	Had money stolen		Was mugged		Corruption widespread in businesses		Corruption widespread in government	
		Yes	No	Yes	No	Yes	No	Yes	No
Would like more days like yesterday?									
Yes	66.72	62.85	67.69	62.06	67.32	65.70	71.28	65.53	70.33
No	33.28	37.15	32.31	37.94	32.68	34.30	28.72	34.47	29.67
Smiled/laughed a lot yesterday?									
Yes	70.44	68.89	70.39	66.70	70.44	69.19	75.20	69.13	74.52
No	29.56	31.11	29.61	33.30	29.56	30.81	24.80	30.87	25.48
Emotions felt a lot yesterday									
Enjoyment									
Yes	71.87	68.50	72.23	65.36	72.17	70.38	78.12	70.09	77.24
No	28.13	31.50	27.77	34.64	27.83	29.62	21.88	29.91	22.76
Physical pain									
Yes	26.78	32.92	25.91	34.68	26.37	27.86	23.25	27.91	24.02
No	73.22	67.08	74.09	65.32	73.63	72.14	76.75	72.09	75.98
Worry									
Yes	34.68	42.72	33.45	46.76	33.91	36.88	30.01	36.76	31.02
No	65.32	57.28	66.55	53.24	66.09	63.12	69.99	63.24	68.98
Sadness									
Yes	21.83	28.67	20.92	32.35	21.26	23.42	18.03	23.62	18.49
No	78.17	71.33	79.08	67.65	78.74	76.58	81.97	76.38	81.51
Boredom									
Yes	24.10	28.42	23.31	31.00	23.52	25.05	21.43	25.29	21.18
No	75.90	71.58	76.69	69.00	76.48	74.95	78.57	74.71	78.82
Depression									
Yes	14.81	20.13	13.83	22.54	14.15	15.64	12.23	15.80	11.88
No	85.19	79.87	86.17	77.46	85.85	84.36	87.77	84.20	88.12
Anger									
Yes	19.98	26.73	18.79	30.63	19.14	21.65	17.08	21.64	16.51
No	80.02	73.27	81.21	69.37	80.86	78.35	82.92	78.36	83.49
Love									
Yes	66.36	68.45	66.13	66.47	66.47	66.20	70.73	65.86	70.48
No	33.64	31.55	33.87	33.53	33.53	33.80	29.27	34.14	29.52

Notes: All numbers expressed as percentages. Minimum number of observations= 101,168.

Table 1b. Emotions and Victimization – LAC 2007

	Total	Gangs present in Area		Drug dealing present in Area		Corruption widespread in businesses		Corruption widespread in government	
		Yes	No	Yes	No	Yes	No	Yes	No
Would like more days like yesterday?									
Yes	77.61	75.90	78.42	75.90	78.42	76.67	80.04	77.04	79.16
No	22.39	24.10	21.58	24.10	21.58	23.33	19.96	22.96	20.84
Smiled/laughed a lot yesterday?									
Yes	82.50	81.36	83.10	81.36	83.10	81.91	85.09	82.38	83.32
No	17.50	18.64	16.90	18.64	16.90	18.09	14.91	17.62	16.68
Emotions felt a lot yesterday									
Enjoyment									
Yes	79.95	79.42	80.21	79.42	80.21	79.28	83.16	79.66	82.23
No	20.05	20.58	19.79	20.58	19.79	20.72	16.84	20.34	17.77
Physical pain									
Yes	27.28	29.28	25.57	29.28	25.57	27.63	25.42	26.82	28.15
No	72.72	70.72	74.43	70.72	74.43	72.37	74.58	73.18	71.85
Worry									
Yes	38.71	42.60	36.40	42.60	36.40	39.65	34.92	38.35	38.92
No	61.29	57.40	63.60	57.40	63.60	60.35	65.08	61.65	61.08
Sadness									
Yes	23.41	26.94	21.29	26.94	21.29	24.46	18.82	23.46	21.90
No	76.59	73.06	78.71	73.06	78.71	75.54	81.18	76.54	78.10
Boredom									
Yes	24.16	27.13	22.50	27.13	22.50	24.63	22.41	24.16	23.47
No	75.84	72.87	77.50	72.87	77.50	75.37	77.59	75.84	76.53
Depression									
Yes	13.84	16.13	12.35	16.13	12.35	14.50	10.73	13.80	12.63
No	86.16	83.87	87.65	83.87	87.65	85.50	89.27	86.20	87.37
Anger									
Yes	17.22	19.70	15.45	19.70	15.45	17.93	14.78	17.62	15.82
No	82.78	80.30	84.55	80.30	84.55	82.07	85.22	82.38	84.18
Love									
Yes	76.20	75.82	75.76	75.82	75.76	76.52	76.65	76.00	77.94
No	23.80	24.18	24.24	24.18	24.24	23.48	23.35	24.00	22.06

Notes: All numbers expressed as percentages. Minimum number of observations= 18,688.

Table 2a. How Victimization Varies with Personal Beliefs – World 2006

	Total	Had money stolen		Was mugged		Corruption widespread in businesses		Corruption widespread in government	
		Yes	No	Yes	No	Yes	No	Yes	No
Confidence in local police									
Yes	62.29	50.00	65.13	45.09	64.21	57.24	75.75	55.74	77.91
No	37.24	50.00	34.87	54.91	35.79	42.76	24.43	44.26	22.09
Feels Safe Walking Alone at Night									
Yes	62.97	49.61	65.41	44.07	64.53	59.14	72.53	58.28	71.91
No	37.03	50.39	34.59	55.93	35.47	40.86	27.47	41.72	28.09
Children have the chance to learn and grow everyday									
Yes	69.28	62.13	69.90	57.79	69.58	63.20	80.42	62.01	80.66
No	31.72	37.87	30.10	42.21	30.42	36.80	19.58	37.99	19.34
People in this country can get ahead by working hard									
Yes	80.95	78.62	81.29	78.51	81.04	78.15	87.41	77.60	86.98
No	19.05	21.38	18.71	21.49	18.96	21.85	12.59	22.40	13.02
Satisfied or dissatisfied with efforts to deal with the poor in this country									
Satisfied	37.41	35.13	37.73	33.16	37.64	30.92	53.93	29.27	52.90
Dissatisfied	62.59	64.87	62.27	66.84	62.36	69.08	46.07	70.73	47.10
Planning to start own business in next 12 months									
Yes	42.41	48.18	40.84	51.90	41.26	44.03	41.20	44.03	39.99
No	57.59	51.82	59.16	48.10	58.74	55.97	58.80	55.97	60.01
Is good place or not a good place to live for forming new businesses?									
Good place	71.39	70.99	71.46	68.24	71.66	70.63	74.35	70.15	74.24
Not a good place	28.61	29.01	28.54	31.76	28.34	29.37	25.65	29.85	25.76

Notes: All numbers expressed as percentages. Minimum number of observations= 119,247.

Table 2b. How Victimization Varies with Personal Beliefs – LAC 2007

	Total	Gangs present in Area		Drug dealing present in Area		Corruption widespread in businesses		Corruption widespread in government	
		Yes	No	Yes	No	Yes	No	Yes	No
Confidence in local police									
Yes	47.89	38.03	56.38	37.89	55.83	44.65	56.46	43.91	57.48
No	52.11	61.97	43.62	62.11	44.17	55.35	43.54	56.09	42.52
Feels Safe Walking Alone at Night									
Yes	47.42	33.34	61.20	36.36	59.11	45.79	53.00	45.40	53.13
No	52.58	66.66	38.80	63.64	40.89	54.21	47.00	54.60	46.87
Children have the chance to learn and grow everyday									
Yes	57.42	52.56	59.26	52.20	59.77	54.92	62.42	54.26	64.23
No	42.58	47.44	40.74	47.80	40.23	45.08	37.58	45.74	35.77
People in this country can get ahead by working hard									
Yes	85.12	83.90	85.26	82.06	86.14	84.20	87.90	83.87	87.98
No	14.88	16.10	14.74	17.94	13.86	15.80	12.10	16.13	12.02
Satisfied or dissatisfied with efforts to deal with the poor in this country									
Satisfied	38.17	34.89	39.03	32.98	40.81	35.30	47.38	33.01	54.36
Dissatisfied	61.83	65.11	60.97	67.02	59.19	64.70	52.62	66.99	45.64
Planning to start own business in next 12 months									
Yes	29.81	30.15	28.54	30.32	29.27	31.32	28.56	31.01	29.32
No	70.19	69.85	71.46	69.68	70.73	68.68	71.44	68.99	70.68
Is good place or not a good place to live for forming new businesses?									
Good place	77.16	75.91	76.96	76.00	76.26	76.55	79.84	77.00	78.55
Not a good place	22.84	24.09	23.04	24.00	23.74	23.45	20.16	23.00	21.45

Notes: All numbers expressed as percentages. Minimum number of observations= 17,691.

Table 3a. The Effect of Personal Characteristics and Crime Victimization on Well-Being

	Cantril Ladder of Well-being[a]			Wants more days like yesterday[b]		
	Rest of the World	**LAC 2006**	**LAC 2007**	**Rest of the World**	**LAC 2006**	**LAC 2007**
Had money stolen	-0.0660***	0.0415	-0.0215	-0.0177***	-0.0347***	-0.0209*
	(0.021)	(0.057)	(0.061)	(0.006)	(0.010)	(0.011)
Was mugged	-0.1466***	-0.0892	-0.0746	-0.0225***	-0.0205*	-0.0281**
	(0.030)	(0.069)	(0.075)	(0.008)	(0.012)	(0.014)
Corruption in businesses	-0.1472***	-0.0985*	-0.1886***	-0.0169***	0.0084	-0.0211*
	(0.021)	(0.057)	(0.067)	(0.006)	(0.010)	(0.012)
Corruption in government	-0.1545***	-0.1698***	-0.044	-0.0167***	-0.0063	0.0004
	(0.021)	(0.060)	(0.068)	(0.006)	(0.010)	(0.012)
Gangs are present in area			-0.0839			-0.004
			(0.054)			(0.010)
Drugs dealing present in area			-0.0576			-0.0086
			(0.055)			(0.010)
Mid income	0.4098***	0.4719***	0.4104***	0.0385***	0.0238***	0.0106
	(0.018)	(0.055)	(0.063)	(0.005)	(0.009)	(0.010)
High income	0.8103***	0.8963***	0.8084***	0.0611***	0.0414***	0.0380***
	(0.019)	(0.054)	(0.054)	(0.005)	(0.009)	(0.009)
Male	-0.1153***	-0.2395***	-0.1541***	-0.0224***	0.0119	0.0123
	(0.015)	(0.044)	(0.048)	(0.004)	(0.008)	(0.008)
Age	-0.0275***	-0.0653***	-0.0546***	-0.0047***	-0.0048***	-0.0040***
	(0.003)	(0.007)	(0.008)	(0.001)	(0.001)	(0.001)
Age squared	0.0003***	0.0006***	0.0004***	2.8e-05***	0.0001***	3.1e-05**
	(2.8e-05)	(0.0001)	(0.0001)	(-7e-06)	(-1.2e-06)	(1.4e-05)
Is married	0.0558***	0.0852	-0.008	0.0012	-0.0028	0.0023
	(0.020)	(0.054)	(0.058)	(0.006)	(0.009)	(0.010)
Is divorced	-0.2121***	-0.1608*	-0.1314	-0.0174*	-0.0268*	0.0056
	(0.037)	(0.093)	(0.108)	(0.010)	(0.016)	(0.017)
Is widowed	-0.1766***	-0.1171	0.1122	-0.0596***	-0.0407**	-0.0046
	(0.039)	(0.113)	(0.126)	(0.010)	(0.019)	(0.020)
Lives in urban area	-0.0027	0.1142**	0.0684	0.0037	-0.0041	0.0004
	(0.017)	(0.048)	(0.051)	(0.005)	(0.008)	(0.009)
Religion is important in everyday life	0.0569***	0.1248**	0.2521***	0.0312***	0.0612***	0.0598***
	(0.018)	(0.052)	(0.058)	(0.005)	(0.010)	(0.012)
Dwelling has water facilities	0.1591***	0.3026***	0.1504*	0.0310***	-0.012	-0.0147
	(0.026)	(0.082)	(0.086)	(0.007)	(0.013)	(0.013)
Dwelling has electricity	0.1908***	0.2987**	0.6741***	-0.0004	-0.011	0.0067
	(0.028)	(0.127)	(0.146)	(0.008)	(0.019)	(0.022)
Had a health problem	-0.3092***	-0.4187***	-0.3272***	-0.0456***	-0.0690***	-0.0449***
	(0.018)	(0.054)	(0.057)	(0.005)	(0.009)	(0.010)
Dwelling has landline telephone	0.2688***	0.3570***	0.4859***	0.0493***	0.0260***	0.0194**
	(0.025)	(0.048)	(0.052)	(0.006)	(0.008)	(0.009)
Has a job	0.1218***	0.1963***	0.2106***	0.0044	0.0172**	0.0213**
	(0.017)	(0.045)	(0.050)	(0.004)	(0.008)	(0.009)
Can count on friends in hard times	0.5889***	0.6618***	0.7025***	0.1011***	0.1044***	0.0553***
	(0.021)	(0.074)	(0.067)	(0.006)	(0.014)	(0.012)
Constant	6.5287***	5.2966***	5.2685***			
	(0.088)	(0.231)	(0.280)			
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
R squared /Pseudo R squared	0.3841	0.1790	0.1832	0.0674	0.0447	0.0356
Observations	61,869	11,625	9,513	60,847	11,642	9,460

Note: [a] OLS coefficients reported. [b] Marginal effects after probit reported. Standard errors are in parentheses.

Table 3b. The Effect of Personal Characteristics and Crime Victimization on Change in Wellbeing

	Change in position on Cantril ladder of Well-being: current position minus position 5 years ago		
	Rest of the World	**LAC 2006**	**LAC 2007**
Had money stolen	-0.0747***	-0.0562	0.0183
	(0.025)	(0.075)	(0.077)
Was mugged	-0.1787***	0.0113	-0.0449
	(0.037)	(0.089)	(0.095)
Corruption in businesses	-0.0877***	0.0509	-0.2000**
	(0.026)	(0.071)	(0.082)
Corruption in government	-0.1033***	-0.4324***	-0.2812***
	(0.026)	(0.075)	(0.083)
Gangs present in area			0.0438
			(0.068)
Drugs dealing present in area			-0.0843
			(0.070)
Mid income	0.1676***	0.1234*	0.2065***
	(0.020)	(0.070)	(0.076)
High income	0.3066***	0.2583***	0.3099***
	(0.022)	(0.066)	(0.067)
Male	-0.0889***	-0.2635***	-0.1117*
	(0.017)	(0.055)	(0.058)
Age	-0.0145***	-0.0507***	-0.0275***
	(0.003)	(0.008)	(0.009)
Age squared	3e-05	0.0004***	0.0001
	(3e-05)	(0.0001)	(0.0001)
Is married	0.0026	0.0919	0.0362
	(0.024)	(0.069)	(0.072)
Is divorced	-0.0593	-0.0904	-0.2877**
	(0.047)	(0.119)	(0.137)
Is widowed	-0.1309***	-0.1758	0.0615
	(0.046)	(0.130)	(0.146)
Lives in urban area	-0.1112***	-0.1328**	-0.1113*
	(0.019)	(0.059)	(0.063)
Religion is important in everyday life	0.0564***	0.1982***	0.1882***
	(0.021)	(0.067)	(0.071)
Dwelling has water facilities	0.0546*	0.1432	0.0764
	(0.029)	(0.100)	(0.102)
Dwelling has electricity	-0.0377	-0.0354	0.0178
	(0.033)	(0.143)	(0.153)
Had a health problem	-0.1797***	-0.3069***	-0.3936***
	(0.020)	(0.067)	(0.068)
Dwelling has landline telephone	0.0237	0.0719	0.0997
	(0.028)	(0.060)	(0.065)
Has a job	0.2443***	0.3817***	0.2905***
	(0.019)	(0.058)	(0.061)
Can count on friends in hard times	0.2989***	0.4487***	0.4533***
	(0.025)	(0.093)	(0.084)
Constant	1.1070***	1.7305***	1.1882***
	(0.1095)	(0.2654)	(0.2822)
Country dummies	Yes	Yes	Yes
Pseudo R squared	0.09	0.06	0.06
Observations	61,577	11,536	9,440

Note: OLS coefficients reported. Standard errors are in parentheses.

Table 4a. The Effect of Crime Victimization on Negative Emotions

	Anger			*Physical pain*		
	Rest of the World 2006	**LAC 2006**	**LAC 2007**	**Rest of the World 2006**	**LAC 2006**	**LAC 2007**
Had money stolen	0.0424***	0.0478***	0.0382***	0.0454***	0.0620***	0.0604***
	(0.005)	(0.010)	(0.011)	(0.005)	(0.013)	(0.013)
Was mugged	0.0812***	0.0134	0.0401***	0.0470***	0.0191	0.0143
	(0.007)	(0.012)	(0.014)	(0.008)	(0.015)	(0.016)
Corruption in business	0.0217***	0.0205**	0.0214*	0.0301***	0.012	-0.0022
	(0.005)	(0.010)	(0.011)	(0.006)	(0.012)	(0.014)
Corruption in government	0.0305***	-0.0002	-0.0064	0.0194***	-0.0027	0.003
	(0.005)	(0.010)	(0.012)	(0.006)	(0.013)	(0.014)
Gangs present in area			0.0184*			0.0250**
			(0.010)			(0.012)
Drug dealing present in area			0.0238**			0.0328***
			(0.010)			(0.012)
R-squared	0.045	0.062	0.060	0.082	0.061	0.071
Observations	61723	11675	9476	61951	11694	9505
	Worry			***Sadness***		
	Rest of the World 2006	**LAC 2006**	**LAC 2007**	**Rest of the World 2006**	**LAC 2006**	**LAC 2007**
Had money stolen	0.0593***	0.0873***	0.1008***	0.0466***	0.0679***	0.0459***
	(0.006)	(0.013)	(0.015)	(0.005)	(0.012)	(0.013)
Was mugged	0.0881***	0.0392**	0.0214	0.0862***	0.0216	0.0398***
	(0.008)	(0.016)	(0.018)	(0.007)	(0.014)	(0.015)
Corruption in business	0.0376***	0.012	0.0365**	0.0187***	0.0228**	0.0309**
	(0.006)	(0.013)	(0.015)	(0.005)	(0.012)	(0.013)
Corruption in government	0.0281***	0.0281**	-0.0078	0.0335***	(0.003)	0.002
	(0.006)	(0.014)	(0.016)	(0.005)	(0.012)	(0.013)
Gangs present in area			0.020			0.0262**
			(0.013)			(0.011)
Drug dealing present in area			0.0433***			0.0414***
			(0.013)			(0.011)
R-squared	0.061	0.059	0.063	0.065	0.069	0.076
Observations	61812	11680	9498	61718	11682	9499
	Boredom			***Depression***		
	Rest of the World 2006	**LAC 2006**	**LAC 2007**	**Rest of the World 2006**	**LAC 2006**	**LAC 2007**
Had money stolen	0.0273***	0.0466***	0.0282**	0.0320***	0.0355***	0.0260***
	(0.005)	(0.012)	(0.012)	(0.004)	(0.010)	(0.010)
Was mugged	0.0513***	0.0148	0.0488***	0.0496***	0.0190*	0.0340***
	(0.007)	(0.013)	(0.015)	(0.006)	(0.011)	(0.012)
Corruption in business	0.0187***	0.0198*	0.020	0.0121***	0.0150*	0.0274***
	(0.005)	(0.011)	(0.013)	(0.004)	(0.009)	(0.010)
Corruption in government	0.0317***	0.004	-0.0175	0.0248***	-0.0131	0.006
	(0.005)	(0.011)	(0.014)	(0.004)	(0.010)	(0.010)
Gangs present in area			0.0253**			0.0228***
			(0.011)			(0.009)
Drug dealing present in area			0.0361***			0.0187**
			(0.011)			(0.009)
R-squared	0.060	0.050	0.055	0.091	0.087	0.096
Observations	61693	11670	9486	61600	11652	9469

Note: Marginal effects after probit reported. Standard errors are in parentheses. Each regression controls for age, age squared, gender, marital status, urban zone, importance of religion, access to electricity, water and landline telephone, work status, had a health problem, can count on friends in hard times, the 3-level income variable (with low income as base category) and country fixed effects.

Table 4b.The Effect of Crime Victimization on Positive Emotions

	Enjoyment			*Smiled or laughed*		
	Rest of the World 2006	**LAC 2006**	**LAC 2007**	**Rest of the World 2006**	**LAC 2006**	**LAC 2007**
Had money stolen	-0.0170***	-0.0181*	-0.0067	-0.0244***	-0.0376***	-0.0377***
	(0.005)	(0.011)	(0.011)	(0.006)	(0.012)	(0.012)
Was mugged	-0.0325***	-0.0307**	-0.0234*	-0.0247***	-0.0125	-0.0364**
	(0.008)	(0.013)	(0.014)	(0.008)	(0.013)	(0.015)
Corruption in business	-0.0159***	0.002	-0.0018	-0.0343***	-0.0080	0.003
	(0.006)	(0.010)	(0.012)	(0.006)	(0.011)	(0.013)
Corruption in government	-0.0302***	-0.0227**	-0.0130	-0.0307***	-0.0194*	-0.0029
	(0.006)	(0.010)	(0.012)	(0.006)	(0.011)	(0.013)
Gangs present in area			-0.0104			-0.0091
			(0.010)			(0.011)
Drug dealing present in area			-0.0101			-0.0221**
			(0.010)			(0.011)
R-squared	0.080	0.040	0.037	0.039	0.034	0.023
Observations	61574	11635	9474	60410	11581	9434

Note: Marginal effects after probit reported. Standard errors are in parentheses. Each regression controls for age, age squared, gender, marital status, urban zone, importance of religion, access to electricity, water and landline telephone, work status, had a health problem, can count on friends in hard times, the 3-level income variable (with low income as base category) and country fixed effects.

Table 5. The Effect of Crime Victimization on Beliefs in the Country

	Confidence in local police			*People get ahead in this country with hard work*		
	Rest of the World 2006	**LAC 2006**	**LAC 2007**	**Rest of the World 2006**	**LAC 2006**	**LAC 2007**
Had money stolen	-0.0883***	-0.1100***	-0.0928***	-0.0157***	-0.0228**	-0.0212**
	(0.006)	(0.013)	(0.015)	(0.005)	(0.009)	(0.011)
Was mugged	-0.1050***	-0.0743***	-0.0652***	-0.0302***	-0.0354***	-0.0212*
	(0.009)	(0.016)	(0.018)	(0.007)	(0.011)	(0.013)
Corruption in business	-0.0707***	-0.0489***	-0.0508***	-0.0274***	-0.010	-0.016
	(0.006)	(0.013)	(0.016)	(0.005)	(0.008)	(0.011)
Corruption in government	-0.1356***	-0.0877***	-0.0557***	-0.0768***	-0.0275***	-0.0306***
	(0.006)	(0.014)	(0.016)	(0.005)	(0.008)	(0.010)
Gangs present in area			-0.0943***			0.002
			(0.013)			(0.009)
Drug dealing present in area			-0.1139***			-0.0262***
			(0.013)			(0.009)
R-squared	0.125	0.062	0.073	0.163	0.084	0.072
Observations	57553	11294	9320	55212	11554	9425
	Country is a good place to live for entrepreneurs forming new businesses			*Satisfied with efforts of your country to deal with the poor*		
	Rest of the World 2006	**LAC 2006**	**LAC 2007**	**Rest of the World 2006**	**LAC 2006**	**LAC 2007**
Had money stolen	0.002	-0.0167	-0.0008	-0.0062	-0.0168	-0.0508***
	(0.007)	(0.017)	(0.012)	(0.006)	(0.013)	(0.014)
Was mugged	-0.0277***	-0.0620***	-0.0207	-0.0186**	-0.015	0.0047
	(0.009)	(0.020)	(0.015)	(0.008)	(0.015)	(0.017)
Corruption in business	-0.0284***	-0.0173	-0.0413***	-0.0908***	(0.019)	-0.0187
	(0.007)	(0.017)	(0.012)	(0.006)	(0.013)	(0.015)
Corruption in government	-0.0362***	-0.0093	0.003	-0.1109***	-0.1507***	-0.1459***
	(0.007)	(0.018)	(0.013)	(0.006)	(0.014)	(0.016)
Gangs present in area			-0.0255**			0.008
			(0.011)			(0.013)
Drug dealing present in area			-0.0064			-0.0626***
			(0.011)			(0.013)
R-squared	0.082	0.226	0.034	0.139	0.075	0.070
Observations	45399	10021	9121	59631	11543	9421

Note: Marginal effects after probit reported. Standard errors are in parentheses. Each regression controls for age, age squared, gender, marital status, urban zone, importance of religion, access to electricity, water and landline telephone, work status, had a health problem, can count on friends in hard times, the 3-level income variable (with low income as base category) and country fixed effects.

Appendix

Data Definitions and Sources

Survey:

The Gallup World Poll was taken in 2006 for 132 countries, and in 2007 for 21 countries in the Americas. Only individuals older than 15 years of age were polled. Countries polled in 2006 were: Afghanistan, Albania, Algeria, Angola. Argentina, Armenia, Australia, Austria, Azerbaijan, Bangladesh, Belarus, Belgium, Benin, Bolivia, Bosnia Herzegovina, Botswana, Brazil, Burkina Faso, Bulgaria, Burundi, Cambodia, Cameroon, Canada, Chad, Chile, China, Colombia, Costa Rica, Croatia, Cuba, Cyprus, Czech Republic, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Ethiopia, Finland, France, Georgia, Germany, Ghana, Greece, Guatemala, Haiti, Honduras, Hong Kong, Hungary, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kosovo, Kuwait, Kyrgyzstan, Laos, Latvia, Lebanon, Lithuania, Macedonia, Madagascar, Malawi, Malaysia, Mali, Mauritania, Mexico, Moldova, Montenegro, Morocco, Mozambique, Myanmar, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Pakistan, Palestine, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Puerto Rico, Romania, Russia, Rwanda, Saudi Arabia, Senegal, Serbia, Sierra Leone, Singapore, Slovakia, Slovenia, South Africa, South Korea, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Tajikistan, Tanzania, Thailand, Togo, Trinidad & Tobago, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay, Uzbekistan, Venezuela, Vietnam, Yemen, Zambia and Zimbabwe. Countries polled 2007 were: Argentina, Belize, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, United States, Uruguay and Venezuela. All variables are available in Gallup World Polls 2006 and 2007, unless stated.

Variables:

Relative Present General Well-Being Cantril Ladder: Individuals place themselves regarding how they feel about their life right now on an imaginary ladder with steps numbered from 0 at the bottom to 10 at the top, where the top represents the best possible situation and the bottom the worst possible situation. Thus, this variable ranges between 0 –the worst possible situation- and 10 –the best possible situation.

Relative Past General Well-Being Cantril Ladder: Individuals place themselves regarding how they feel about their life five years ago in a imaginary ladder with steps numbered from zero at the bottom to ten at the top, where the top represents the best possible situation and the bottom the worst possible situation. Thus, this variable ranges between 0 –the worst possible situation- and 10 –the best possible situation.

Difference (Mobility) in General Well-being: This variable is the difference between the placements in the Present Well-Being Cantril Ladder and in a retrospective five years ago General Well-Being Cantril Ladder. This variable ranges between –10 and 10, where 10 means that the respondent had the highest positive change in its well being from five years ago to now, and –10 means that the respondent had the highest negative change in its well being from five years ago to now.

Had money stolen: In this dummy variable individuals report if they had money or property stolen from them or another household member within the last 12 months; (1) if they had money stolen, (0) if not.

Was mugged: In this dummy variable individuals report if they had been assaulted or mugged within the last 12 months; (1) if they were, (0) if not.

Gangs in area: In this variable individuals report if there are gangs in the area they live; (1) if there are gangs, (0) if not. This variable is only available for Gallup World Poll 2007.

Drugs sales in area: In this variable individuals report if there are illicit drug trafficking or drug sales in the area they live; (1) if there are drug sales, (0) if not. This variable is only available for Gallup World Poll 2007.

Corruption in business: This dummy variable reports whether individuals believe that corruption is widespread within businesses located in their country, or not.

Corruption in government: This dummy variable reports whether individuals believe that corruption is widespread throughout the government in their country, or not.

Has confidence in local police force: In this dummy variable individuals report if, in the city or area they live, they do have confidence in the local police force; (1) if they have confidence in police, (0) if not.

Feels safe walking at night: In this dummy variable individuals report if they feel safe walking alone at night in the city or area where they live; (1) if they feel safe, (0) if not.

Gender: A dummy variable: (1) if the individual is male, (0) if female.

Marital status: Account for four marital status of individuals: single, married, divorced and widowed. In regression it forms a dummy variable set, where being single is the base category.

Educational level: Respondents are placed in four categories, depending on their top achieved educational level: No education, Elementary, High school and College. This variable is only available for Gallup World Poll 2007.

Income level 2006: Based on the per country monetary income variable included in the GWP 2006, that uses different monetary intervals per country. Respondents were categorized into three income groups (high middle and low), so that each category contains approximately one third of the population of the country.

Income level 2007: Based on the income variable constructed by Gasparini et. al. (2008) for the GWP 2007. Respondents were categorized in three income levels (low mid and high), so that each category shares the same amount of respondents within each country (one third of the population, approximately).

Importance of religion: A dummy variable equal to 1 if individuals consider that religion is an important part of their everyday life.

Health problem: A dummy variable whereby individuals report if they currently have any health problems that prevented them from doing any of the things people your age normally can do: (1) if they have any health problem, (0) if not.

Work status: A dummy variable equal to 1 for individuals who report having a current job or work (either paid or unpaid work), and 0 for those who report not having a job.

Friendship: A dummy variable whereby individuals report whether they could count on relatives or friends to help them whenever needed if they were at trouble: (1) if they can count on relative or friends, (0) if not.

Working hard: Individuals report if they think that people in its country can get ahead by working hard, or not; (1) if they do, (0) if they do not.

Efforts with poor: Individuals report if they are satisfied with the efforts of their country to deal with the poor; (1) if they are satisfied, (0) if they are dissatisfied.

Good place for entrepreneurs: Individuals report whether they think the city or area they live is a good place to live for entrepreneurs forming new businesses: (1) if they think it is a good place, (0) if not.

Opportunity to learn: Individuals report whether they think children have the opportunity to learn and grow everyday in their country: (1) if they think so, (0) if they do not.

More days like yesterday: A Dummy variable equal to 1 if individuals answer affirmatively to the question: "Now please think about yesterday, from the morning until the end of the day. Think about where you were, what you were doing, who you were with, and how you felt. Would you like to have more days just like yesterday?".

Emotions: Individuals report whether they feel certain emotions a lot the day of the poll. The emotions are divided by positive and negative emotions: "Physical Pain", "Worry", "Sadness", "Boredom", "Depression" and "Anger" for the negative emotions; and "Enjoyment", "Smiled", "Laughed" and "Love" for the positive emotions. With each emotion a dummy variable is computed, where 1 means that the individual felt that emotion, and 0 if not.