



Crime victimization, neighborhood safety and happiness in China[☆]



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ABSTRACT

We examine the relationship between happiness, crime victimization and neighborhood safety in China. We find that being a victim of crime, and having an acquaintance who is a victim of crime, have a negative effect on happiness. The cost of compensating someone who is a victim of crime, such that they are returned to the same position as if they had not been victimized, is similar to the cost of compensating someone who has an acquaintance who is a victim of crime (around 60% of annual household income). Females who are victims of crime, and victims of out-of-home theft and assault/threat, feel less victimized if they have an acquaintance who is also a victim of crime with whom to share their experience. Living in a safe neighborhood has a positive effect on happiness. The amount needed to compensate someone for living in an unsafe, or neutral neighborhood, as opposed to safe neighborhood, is 1500% of annual household income, which is much higher than the shadow price suggested in studies for the United States and United Kingdom.

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1. Introduction

China has experienced spiraling crime rates. Official statistics indicate that between the beginning of China's economic reforms in 1978 and the mid 2000s, there was a substantial increase in serious and violent offenses (Hu and Dai, 2014). Between 1988 and 2004, the number of criminal offenses rose at an annual rate of 14% (Hu, 2006) and the arrest rate increased by 82% (Edlund et al., 2013). A range of reasons have been offered to explain higher crime rates in China. These include rising income inequality accompanying economic reform (Cheong and Wu, 2015); the increase in the number of young males or 'surplus men' resulting from China's one child policy (Edlund et al., 2013) and weakened social control in the market reform period (Cheong and Wu, 2015; Edlund et al., 2013).

The effect of rising crime on wellbeing is a concern around the world (Powdthavee, 2005). This is true of China, where surveys suggest that perceptions of safety have fallen, particularly in urban areas (Hu and Dai, 2014). Public opinion surveys, since the beginning of the 1990s, have consistently shown that Chinese urban citizens are concerned about increasing crime rates and anti-social behavior (Nielsen and Smyth, 2008). The effect of crime victimization on happiness remains

'relatively unexplored' (Kuroki, 2013). There are no studies at all of the relationship between crime and happiness or estimates of the shadow price of crime for China.

The reliability of China's crime statistics is an impediment in studying China's crime and its effects. Almost all existing studies examining crime in China have relied on official statistics, gleaned from Chinese Law Yearbooks (Cheong and Wu, 2015; Edlund et al., 2013; Liu, 2006). However, such statistics are problematic. The main issues are that people do not report all crime to the police (underreporting) and police do not record all crime reported (under-recording), meaning that official statistics under-represent the true crime rate (Cao et al., 2013; Yu and Zhang, 1999). As Broadhurst et al. (2013, p.2) put it: 'In China, where detailed criminal statistics are still often regarded as state secrets, for the most part only available at the aggregated national level, reliance on such official measures as guidance on trends in crime is even more problematic than usual'.

Given the problems with measuring crime rates in China, in this study we use self-reported victimization and neighborhood safety to measure crime. Subjective views of crime (self-reported victimization and perceived neighborhood safety) can be considered more reliable and, in some sense, more important. Previous studies have suggested that (subjective) fear of crime is more relevant to individual behavior than (objective) regional crime rates, and, thus, should be preferred (Braakmann, 2012; Hamermesh, 1999). Perceptions of neighborhood safety reflect the concept of fear of crime, which is increasingly being used by economists to proxy the costs of crime (Moore and Shepherd, 2006). The fear of crime has an important effect on economic behavior,

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including where one lives, where one sends one's children to school and how one interacts with the local community that extends beyond whether one has actually been the victim of crime or not (Moore and Shepherd, 2006). As a consequence, in countries such as the United Kingdom, reduction in fear of crime has become an important policy priority in itself (Brand and Price, 2000).

We contribute to the literature on crime and happiness in the following ways. First, we examine the relationship between fear of crime and neighborhood safety, on the one hand, and happiness on the other, for an important Asian country that has experienced rising crime rates. Several studies have examined the correlates of happiness in China for the urban and rural populace as well as rural–urban migrants (see eg. Appleton and Song, 2008; Knight and Gunatilaka, 2010; Knight et al., 2009). These studies, however, do not consider the relationship between crime and happiness. Second, we provide estimates of the shadow price of crime in China. In this respect, we respond to calls in earlier work on the economics of crime in China with calls to address these gaps (Cheong and Wu, 2015).

Third, more generally, we examine whether having an acquaintance who is a victim of crime has an effect on one's happiness in the alternative scenarios in which the respondent is not a victim of crime and when the respondent is a victim of crime. Previous studies, and most notably Powdthavee (2005), have examined whether higher levels of level of crime in the region in which one lives, has an effect on one's happiness, in the alternative scenarios in which the person is, and is not, not a victim of crime himself or herself. In such studies individuals living in the same region are treated as the individual's reference group, irrespective of whether one actually knows them or not. One would expect, however, that the link between the victimization of others and the respondent's happiness to be stronger if the respondent is actually acquainted with the victim. In this sense, individuals acquainted with the victim are likely to be a more realistic reference group than individuals who are living in the same region. We take advantage of the fact that our dataset has information on whether someone with whom the respondent is acquainted has been a victim of crime to address this issue.

Our paper contributes to two 'conversations' in this journal. The first concerns studies modeling the determinants of happiness (see eg. Helliwell, 2003; Lin et al., 2015; Paul and Gilbert, 2013). The other relates to studies modeling crime and the consequences of criminal behavior (see eg. Goulas and Zervoyianni, 2015; Halicioglu et al., 2013). In a sense, we bring these two sets of studies together.

2. Crime and happiness

There are several channels through which crime victimization and fear of crime could be negatively related with happiness. Fear of crime is negatively correlated with mental wellbeing (Cornaglia et al., 2014; Lorenc et al., 2012; Stafford et al., 2007). In the psychology literature, victims of crime have been found to exhibit higher levels of anxiety and depression and be more likely to show symptoms of post-traumatic stress and express suicidal thoughts (Norris and Kaniasty, 1994). Those who fear crime have been found to exercise less and be less reluctant to engage in outdoor activities with negative effects on self-reported health (Ross, 1993). Several studies have found a negative association between crime victimization and self-reported health (Britt, 2001; Koss et al., 1990; Koss et al., 1991) and between crime victimization and neighborhood satisfaction (Ward et al., 1986).

Among existing studies of the relationship between victimization and happiness in North America, findings have been mixed. In the United States Cohen (2008) finds that the effect of being the victim of a home burglary on happiness is quite large, although other crimes had smaller effects. In addition, perceived neighborhood safety and regional crime rates also had little effect on happiness. In Canada, Michalos and Zumbo (2000) found no relationship between crime-related variables and happiness.

Outside of North America, studies for Africa (Davies and Hinks, 2010; Moller, 2005; Powdthavee, 2005; Sulemana, in press), Europe (Denkers and Winkel, 1998; Hanslmaier, 2013; Lelkes, 2006; Moore, 2006; Staubli et al., 2014) and South America (Medina and Tamayo, 2012; Medina et al., 2010; Romero, 2014) have generally found that criminal victimization and fear of crime has a negative effect on happiness. There is only one study of the relationship between crime victimization and happiness in Asia. Kuroki (2013) examines the relationship between being a victim of property crime (burglary and robbery) and happiness in Japan and finds that both are negatively related to happiness.

We expect there to be a negative relationship between having an acquaintance who is a victim of crime and one's own happiness. If one knows someone who is a victim of crime, this heighten one's own feelings of fear of crime or being victimized, lowering happiness levels. However, if one has been a victim of crime and knows someone who is also a victim of crime, the latter can ameliorate the effect of being a victim of crime oneself. There is a sizeable literature in criminology discussing the stigma attached to being a victim of crime (see Kenney, 2002 for a review). Taylor et al. (1983, pp. 24–25) describes the stigma attached to being a victim of crime as follows: 'Even the best social responses to victimization may be aversive to the victim. The need to accept aid from others and the accompanying emotional reactions such as pity may indicate the condescension of the other and underscore the loss of power or status on the part of the victim. Help seekers lose face and self-esteem, and they risk evaluations of incompetence by the helper'. Wortman and Lehman (1983), who review a lot of the sociological literature on victimization, conclude that many victims are stigmatized due to unsettling feelings of vulnerability they evoke in others and because of a common perception that 'we live in a world in which we get what we deserve'.

It is in light of this literature that Powdthavee (2005) hypothesizes that the negative effect of criminal victimization on happiness will be lower if the level of victimization of one's reference group is higher. The reasoning is that the stigmatizing effect of being a victim of crime will be lower when crime on relevant others (such as acquaintances) is higher. In other words, people will feel less victimized if their reference group shares their experiences of crime. A lot of the sociological literature suggests that much of the stigmatizing effect of being a victim of crime stems from reluctance to seek help for fear of being judged (see Kenney, 2002). If one is a victim of crime it may be easier to reach out and converse and share with others who are also victims of crime.

While no studies have examined the effect of whether one has an acquaintance who is a victim of crime on one's happiness, studies have considered the effect of regional crime rates on happiness, in addition to whether the individual is a victim of crime. Some of these studies have found that living in a locale with high regional crime rates lowers happiness (see eg. Alesina et al., 2004; Powdthavee, 2005), while others (see eg. Cohen, 2008; Hanslmaier, 2013) found no relationship between regional crime rates and happiness. Powdthavee (2005) finds that happiness is lower for those who are victims of crime, but the negative relationship is not as strong when the victimization of one's reference group, which he defines in terms of those living in the same region, is high.

In the analysis below, in addition to reporting results for the full sample, we report results separately for males and females. The reason for so doing is that previous studies have reported that gender mediates the relationship between crime victimization and happiness. For example, Davies and Hinks (2010) and Sulemana (in press) found that being a victim of crime had a stronger negative effect on happiness for men than women. As Davies and Hinks (2010) proffer, being a victim of crime contributes negatively to happiness in two ways. First, is the direct effect of being a victim of crime in terms of physical and psychological costs. The second is the social stigma attached to being a victim. The social stigma attached to being a victim of crime is often higher for males than females (Davies and Hinks, 2010). This is likely to be particularly true in a masculine society such as China, in which being the

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