Fairness Perceptions Trump Perceptions of Disparities

OR

Income Inequality in the Minds of Citizens: What They See Matters but *How* They View it Even More?

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Major Puzzle

Numerous studies corroborate detrimental repercussions of large and/or increasing differences in income and wealth on the 'health' of democratic societies (Stiglitz 2012), yet straightforward associations between individuals' subjective perceptions of income differences in society and objective macro-level indicators are difficult to establish empirically (Reyes, Gasparini 2022). What is more, individual perceptions of inequality do not appear to be firmly associated with redistributive preferences either, nor with political behaviour writ large.

Drawing on Starmans et al. (2017), we contend that these ambiguous findings might, in part, be attributed to the **measurement instrument of inequality perceptions** commonly used in international population surveys, such as previous waves of the ISSP or the ESS.

Differences in income in (country) are too large (5-point Likert scale)

With the **ISSP 2019 module on Social Inequality**, the ISSP introduces a second measurement instrument which assesses peoples' **fairness attributions** of the distribution of income which have demonstrated in the past that they are a politically more consequential attitude (Ahrens 2020; Zmerli, Castillo 2015).

How fair or unfair do you think the income distribution is in (country)? (4-point Likert scale)

Data and First Explorations

- ISSP 2019, newly released integrated dataset with 29 countries worldwide and more than 44,000 respondents

- Crosstabulations and correlational analyses of the two inequality items suggest that a significant share of respondents perceive the income distribution **as fair** but income differences as **too large** (**13 %**).

- Interestingly, the strength of the correlational coefficients appear to **decrease** with **increasing** levels of inequality.

- **BUT** some countries, such as Japan, show large shares of non-responses for the fairness variable (nearly **30!** percent)

- Apparently, high inequality is associated with a meritocratic narrative, emboldening fairness attributions to unequal economic distributions

- Yet, at the aggregate level, both items are rather loosely connected to various measures of economic inequality that I tested (GINI, real GINI, share 80 vs. share 20, bottom 40, top 20)
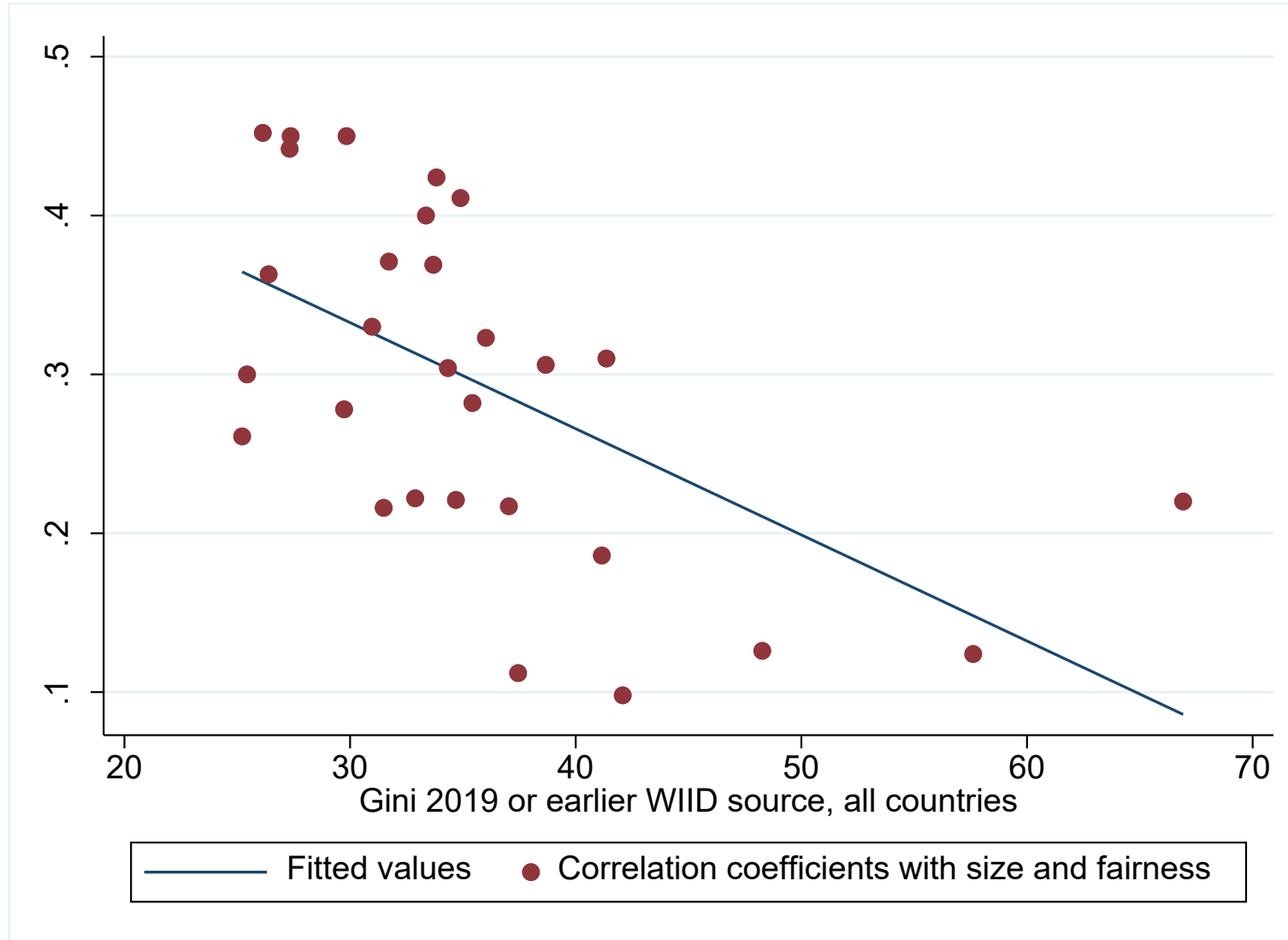
Inferential Analyses: Causes and Consequences

- In a first step, we inspect potential predictors of our two items in a multilevel framework, we then turn to the explanatory power of our two items with regard to casting a vote, external political efficacy, redistributive preferences and social trust

- The ordinal logistic ml models test different macro inequality indicators separately and socio-economic predictors at the individual level, together with two indicators measuring respondents' contact with poorer and richer people

- The ICC of the empty models amount to 8% for size of difference and 15% for fairness attributions

- **None** of the tested macro-level indicators are significantly associated with size of difference as DV

- By contrast, **share 80 vs. share 20** and **bottom 40** impact fairness attributions (at p smaller than 10%)

Inferential Analyses: Causes

	Fairness attributions	Size of difference
Gender (1=female)	.10**	.08**
Age in years	.08**	.10**
Educational degree	.01	.03
Social positioning	-.25***	-.21***
Difficulty with HH income	.25***	.20***
Contact with poorer people like you	.23***	.14***
Contact with richer people like you	-.04*	.02

Multilevel ordinal logit regressions; variables z-standardized;

Inferential Analyses: Consequences

Coefficients are odds ratios (logistic, and ordinal logit regressions)

	Casting a vote	External political efficacy	Redistributive preference	Social trust
Gender (1=female)	1.01	.96***	1.04***	.99
Age in years	1.35***	1.08***	.84***	1.16***
Educational degree	1.08***	.99	.87***	1.33***
Difficulty with HH income	.81***	1.22***	.86***	.65***
Size of difference	.94**	1.84***	.68***	.99
Fairness attributions	.86***	1.37***	.79***	.78***

Variables z-standardized

Conclusion and Further Analytical Steps

- Measuring the perceived fairness of income distribution could be a **missing link** in empirical research

- However, as our preliminary analyses suggest, fairness attributions **do not** replace perceived size of differences but rather complement them as predictors

- Yet fairness perceptions are strongly associated with social trust (social cohesion) while size of differences is not

- It matters what types of people one meets on a regular basis

- These two items appear to be particularly disjoint in more unequal countries

- But clearly, 'chicken & egg' problem not discarded – endogeneity problem? Testing for direct and indirect effects

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