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Citation: Rigoli, F. (2024). Attitudes Towards Economic Inequality in a Global Perspective: Evidence from the World Value Survey. *Journal of Global Awareness*, 5(1), pp. 1-10. doi: 10.24073/jga/5/01/04

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May 2024

Attitudes Towards Economic Inequality in a Global Perspective: Evidence from the World Value Survey

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Recommended Citation

Rigoli, Francesco (2024) "Attitudes Towards Economic Inequality in a Global Perspective: Evidence from the World Value Survey," *Journal of Global Awareness*: Vol. 5: No. 1, Article 4.

DOI: <https://doi.org/10.24073/jga/5/01/04>

Available at: <https://scholar.stjohns.edu/jga/vol5/iss1/4>

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Abstract

Scholars have explored the factors responsible for shaping people's attitudes towards economic inequality. Yet, this research has focused almost exclusively on Western countries. This is an important limitation: only by looking at the different world regions, scholars can fully elucidate the major factors involved. To address this, the paper examines data from the World Value Survey, a database of representative samples drawn from more than one hundred countries. The analyses reveal that people tolerate economic inequalities more when they have higher salary, are better educated, are male, and live in poorer countries. The data also indicate that a country's level of income inequality has no impact on the attitude towards economic inequality reported by citizens. Altogether, these findings elucidate the general factors shaping people's views on inequality worldwide, contributing to understand in which conditions people support egalitarian policies.

Keywords: attitude economic inequality; equality; global; self-expression; world value survey

Introduction

In a fair society, should each citizen receive the same income as everybody else? Or is some level of inequality desirable? And how much? A person's answers to these questions reveal the person's *attitude towards economic inequality* (ATEI). Studies investigating the nature of people's ATEI are numerous (Bottero, 2019). For example, research has found that, when deciding how resources should be allocated within a group of actors, left-wing supporters' underweight the contribution or the status of the actors, and opt for a more equal partition of the resources at hand (Alesina & Giuliano, 2011; Nettle & Saxe, 2020; Ng & Allen, 2005). As another example, in line with the idea that self-interest is important in shaping ATEI, research has observed that the better-off manifest a more positive ATEI than the worse-off (Clark & d'Ambrosio, 2015; Curtis & Andersen, 2015; Ng & Allen, 2005).

Scholars have recently extended this line of research by comparing different countries against one another (Janmaat, 2013). For example, studies exploring people's ATEI in European countries have revealed substantial differences between Western and Eastern Europe due to the legacy of communism followed

by a rapid shift to capitalism in the latter region (Kelley & Zagorsky, 2004; Redmond, Schnepf, & Suhrcke, 2002; Suhrcke, 2001). This comparative approach has provided valuable insight into the processes shaping ATEI (Janmaat, 2013). However, a shortcoming is that most of this research has focused on a small pool of countries confined to the USA and Europe (Janmaat, 2013). Thus, a truly global picture of the factors shaping ATEI, in which countries from different geographical and cultural regions of the world are included, is missing. Employing a global outlook can help identify the general factors determining ATEI. Consider again research comparing Eastern and Western Europe (Kelley & Zagorsky, 2004; Redmond et al., 2002; Suhrcke, 2001). Are the differences between these two blocks due to experiencing communism and its demise in Eastern Europe, to differences in average income, to differences in income distribution, or to differences in economic growth? Placing Europe within the broader global context can help arbitrate among these possibilities. More generally, it can reveal the major dimensions distinguishing people and countries worldwide in terms of ATEI.

An exception to the narrow geographical focus characterising most studies comes from investigations in which participants were asked to judge the salary of chief executive officers vis-à-vis the salary of unskilled workers (Kiatpongsan & Norton, 2014; Norton & Ariely, 2011; Pedersen & Mutz, 2019). This approach has been employed to compare countries from different geographical and cultural regions, offering a rare glimpse into people's ATEI worldwide. However, empirical research has recently cast doubt on the validity of this approach, for two reasons (Pedersen & Mutz, 2019). First, people supporting the left compared to people supporting the right, as well as wealthy compared to poor people, appear to give the same responses (Kiatpongsan & Norton, 2014; Norton & Ariely, 2011). This can be interpreted as indicating that differences between these groups are, in fact, non-existent. However, as other studies suggest (Bartels, 2005), another possibility is that the approach has poor discriminant validity. Second, a recent study has shown that judgements about salaries are strongly influenced by anchoring effects (Pedersen & Mutz, 2019). This raises the possibility that data on these judgements might be partially biased. These considerations cast some concerns about the validity of the results obtained by this line of research, encouraging social scientists to look for alternative ways to assess people's ATEI worldwide.

A promising avenue is offered by the World Value Survey (WVS), a longitudinal dataset encompassing representative samples of more than one hundred countries tracked along a forty-year period (Haerpfer, Inglehart,

Moreno, Welzel, Kizilova, Diez-Medrano, ... & Puranen, 2022). Among the questions of the survey is one assessing people's ATEI by asking them to choose a score from one to ten, where one corresponds to the sentence "Incomes should be made more equal," and ten corresponds to the sentence "We need larger income differences as incentives" - I will refer to this as to $ATEI_{WVS}$ (a higher score indicates more positive ATEI). Although this way of quantifying ATEI is not without shortcomings (e.g., relying on one single item for measuring a construct is known to be suboptimal; Krosnick, 2018), the key advantage of $ATEI_{WVS}$ is that it is available for a remarkable number of countries, allowing scholars to investigate people's ATEI within a truly global context. Moreover, in comparison with approaches based on judgements about salary, anchoring should not be an issue here and thus should not impair the validity of the measure. The discriminant validity of $ATEI_{WVS}$ remains to be established; that is, it remains to be established whether, in line with previous research, this measure discriminates, say, between left and right ideology (Bartels, 2005; Rekker, Keijsers, Branje, & Meeus, 2017) and between poor and rich participants (Clark & d'Ambrosio, 2015; Curtis & Andersen, 2015; Ng & Allen, 2005). Nonetheless, this can be assessed easily by looking at the data. Thus, altogether, employing $ATEI_{WVS}$ to explore the factors shaping people's ATEI worldwide appears to be a promising endeavour.

To my knowledge, to date, $ATEI_{WVS}$ has been examined only to analyse OECD countries (Curtis & Andersen, 2015); it has never been examined to explore the world. The present paper aims to fill this gap by performing a first systematic analysis of $ATEI_{WVS}$ to ask whether any new insight can be gained about people's ATEI on a global level.

Predictions

The specific focus of the paper is on the question of whether macroeconomic factors contribute to shaping people's ATEI worldwide. Given that $ATEI_{WVS}$ concerns income, I considered the major macroeconomic indexes regarding this measure: *Income Inequality* (operationalised as the Gini coefficient), *Country Income* (operationalised as the logarithm of per capita GDP in 2020), and *Growth* (operationalised as the ratio between the 2020 and 2005 per capita GDP). The rationale for analysing these is that people may have a relatively accurate perception of their country's income distribution and history, and this perception might, in turn, affect their ATEI. Below, I spell out the predictions linked with each macroeconomic index considered here.

Regarding Income Inequality, two competing predictions can be proposed. First, a sort of homeostatic process may be at play whereby people wish that Income Inequality remains within certain boundaries, and thus desire it to decrease when it becomes too large and desire it to grow when it becomes too little. This predicts that $ATEI_{WVS}$ is more negative in countries with higher Income Inequality. Yet, other considerations suggest that the opposite may be true. In line with well-established theoretical proposals such as system justification theory (Jost, 2020), it is possible that people tend to legitimise the economic system they live in. If this is the case, then people living in more unequal countries might exhibit a more positive ATEI compared to people living in more equal countries.

Considering Country Income, scholars have argued that, at least in theory, the same level of income inequality should be more detrimental in poorer compared to wealthier nations (Grusky, Kanbur, & Sen, 2006). Put another way, a redistribution of income should be more beneficial when this occurs in poorer compared to wealthier countries. This is because, even when inequality is staggering, the poorest people of wealthy nations are nonetheless less likely to live in extreme scarcity. Conversely, inequality in poor countries implies a substantial number of severely deprived people. If this line of reasoning is followed by many people across the world, the prediction is that people in lower income countries have more negative ATEI compared to people living in richer countries. Yet, historical considerations suggest that the opposite might be true. Although humanity has survived in stark poverty for most of its past, instances of historical documents complaining about economic inequalities have been rare until recently (Israel, 2006). This sort of documents has flourished only in modern times, after the economy of many countries has been transformed by the industrial revolution. This consideration suggests that people of richer nations may be those reporting more negative ATEI. Why should this be the case? A possibility is that when a country is poor, citizens prioritise average economic growth, independent of whether this enhances or diminishes inequality. This may result in a higher degree of tolerance for inequality. Conversely, when a country is rich, people may become less concerned by average growth but, at the same time, also become more intolerant of inequality. Put another way, this argument postulates a hierarchical relation between wealth and equality as human motives. When, the argument goes, both are scarce in a community, people prioritise wealth and ignore equality, but, once wealth is secured, then people start focusing on seeking equality.

The last macroeconomic variable that may have an impact on ATEI is Growth. It is possible that when the economy of a country grows steadily, people rejoice by comparing their current condition with the past. In this situation, people might not be particularly concerned about income inequalities, thus manifesting more positive ATEI. Conversely, when economic growth slows down, instead of comparing themselves with the past, people might shift to comparing themselves with others. In turn, this focus on others might encourage people to seek higher equality, thus manifesting more negative ATEI.

In short, the study aims to assess the impact of income-related macroeconomic indexes on people's ATEI. Prior theoretical considerations inspire the prediction that ATEI may be related to Income Inequality and Country Income, though different theories predict divergent directions of these effects. A positive relation between ATEI and Growth was also predicted, whereby people in fast-growing countries reported more positive ATEI.

Methods

Participants

The analysis focuses on the WVS dataset (Haerpfer et al., 2022). This comprises representative samples of several countries where participants were interviewed face to face. The WVS extends over seven waves conducted at various times. I analysed all data from the last three waves (covering a temporal range spanning from 2005 to 2020), including countries for which the macroeconomic indexes mentioned above are available. This resulted in ninety-three countries and 247599 participants selected for the analyses. The WVS dataset is available at <https://www.worldvaluessurvey.org/wvs.jsp>.

Measures

For this study, the following variables were extracted from the WVS:

- Age
- Gender
- Personal Income (this was standardised for each country)
- Education (this was standardised for each country)
- Ideology, assessed by an item asking participants to place themselves on a ten-point scale ranging from Left (corresponding to a score of one) to Right (corresponding to a score of ten)
- $ATEI_{WVS}$, based on an item asking participants to choose a score from one to ten, where one corresponds to the sentence “Incomes should be made

more equal,” and ten corresponds to the sentence “We need larger income differences as incentives.”

Regarding macroeconomic variables, these were taken from the World Bank data and included Country Income (operationalised as the logarithm of per capita GDP in 2020), Growth (operationalised as the ratio between the 2020 and 2005 per capita GDP), and Income Inequality (operationalised as the Gini coefficient; the most recent coefficient was selected for each country in a temporal range from 2010 to 2020).

Results

To begin with, I investigated the relationship between $ATEI_{WVS}$ and Ideology. The purpose of this analysis was to ensure that $ATEI_{WVS}$ can discriminate among people reporting different political orientations. This was evaluated by running a multilevel regression analysis having $ATEI_{WVS}$ as the dependent variable, having country associated with a random effect on the intercept, and having Ideology linked with a random effect associated with the regression weight. The results showed that the effect of Ideology was statistically significant (tab. 1). By indicating that $ATEI_{WVS}$ can discriminate among people reporting different ideological orientations, this finding supports the discriminant validity of $ATEI_{WVS}$.

Next, I aimed to evaluate the predictions outlined above concerning the impact of the macroeconomic indexes. To this aim, I fitted a multilevel regression model of $ATEI_{WVS}$ where: (i) country exerted a random effect on the intercept, (ii) Country Income, Income Inequality, and Growth were included as predictors at the higher level, and (iii) Age, Gender, Personal Income, and Education were included as predictors at the lower level and exerted random effects. This analysis revealed a significant effect of gender, education, personal income, and country income (tab. 2). Specifically, these findings demonstrate that a more positive ATEI is reported by males, better-educated people, people with higher income, and people living in poorer countries. Age and Income Inequality were not associated with any significant effect (tab. 2). Regarding Growth, although the test was not significant, a trend towards significance was evident (tab. 2).

Table 1

Results of the Multilevel Regression Model of ATEI, Including Ideology as a Predictor

Parameter	Estimate	Std. Error	df	t	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Intercept	5.038247	0.124505	105.951	40.466	0.000	4.791402	5.285092
ideology	0.138776	0.014138	105.759	9.816	0.000	0.110745	0.166807

Table 2

Results of the Multilevel Regression Model of ATEI, Including Macroeconomic and Demographic Factors as Predictors

Parameter	Estimate	Std. Error	df	t	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Intercept	9.077591	1.735699	94.158	5.230	0.000	5.631396	12.523787
gender	-0.118815	0.019131	96.062	-6.211	0.000	-0.156790	-0.080840
age	0.008130	0.010941	88.563	0.743	0.459	-0.013611	0.029871
education	0.062512	0.011936	92.898	5.237	0.000	0.038809	0.086215
personal income	0.098723	0.009206	92.414	10.724	0.000	0.080440	0.117007
income inequality	0.000879	0.016310	91.124	0.054	0.957	-0.031518	0.033275
country income	-0.461829	0.128462	94.952	-3.595	0.000	-0.716860	-0.206798
growth	0.383487	0.208339	92.539	1.841	0.069	-0.030259	0.797233

Conclusion

The paper examines data from the WVS with the aim of identifying factors affecting people's ATEI globally, with a special focus on macroeconomic aspects. The results highlight the following as being influential factors: Gender, Personal Income, Education, and Country Income. Specifically, more positive ATEI is typically reported by males, richer and better-educated people, and by citizens of poorer countries. The observation that a more positive ATEI characterises poor compared to rich countries is consistent with the notion that people in poor and rich countries interpret economic inequality very differently. A possible interpretation is that in poor countries equality appears to be less of a priority vis-à-vis other social targets such as economic growth, thus leading people to be more tolerant of inequality.

The findings help understand the nature of ATEI, which, as also corroborated by the analyses themselves, is central to explaining why people support the left or the right in politics. Moreover, the findings offer clues to understand when people and which groups within the population are more likely to support redistributive policies. This question is particularly important in countries where the level of economic inequality has surged in recent decades, with adverse consequences for health, democracy, and the economy (Wilkinson & Pickett, 2009).

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