Socioeconomic status and preferences for income inequality

A quantitative study using the International Social Survey Program Data

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Abstract

People's preferences for income inequality vary, and this research investigates the influence of socioeconomic status on these preferences. Drawing on a structural position theory that considers individuals' self-interest and rationality to be driven by their socioeconomic status, this paper examines the extent to which socioeconomic status affects the likelihood of accepting income inequality. Controlling for factors such as the perception of procedural justice, social mobility, and the level of income inequality, binary logistic regressions are conducted using a sub-sample of 15 European countries from the International Social Survey Program's 2019 "Social Inequality" module. The findings show that individuals with a high socioeconomic status are more likely to accept income inequality compared to those with a low socioeconomic status. Additionally, social mobility is shown to be an important factor in shaping people's acceptance of income inequality. Finally, perceiving a higher level of procedural justice significantly influences the acceptance of income inequality, albeit with a weak effect. These findings carry significant implications for society and politics, providing valuable insights into the dynamics of income inequality preferences; they can contribute to the development of policies aimed at promoting social and economic equity in the face of rising inequality.

Key words: preferences, income inequality, socioeconomic status, meritocracy, social mobility

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1 Introduction

Equality is an ideal that most Western societies are striving for, as they try to flatten social hierarchies and lift people out of poverty (Therborn, 2012; Stiglitz & Rosengard, 2015). They do so through redistributive schemes such as public assistance or welfare (Stiglitz & Rosengard, 2015), which are processes of redistributing income wealth in order to correct market inequalities (Stiglitz & Rosengard, 2015). These market inequalities are the differences in wages, between some occupations, that can lead to other inequalities in society. Through taxation systems, governments are hoping to keep inequalities resulting from income inequality under check (Stiglitz & Rosengard, 2015).

However, most of these societies are still organised upon hierarchies of social status (Therborn, 2012). These hierarchies, allocating unequal recognition and respect, allowing different degrees of freedom to act, and providing different levels of self-respect and self-confidence, are driving to a large extent many inequalities that we know today (Theborn, 2012). In Europe, with the emergence of market-oriented policies of the 80s and globalisation processes, material inequality has been increasing, both between countries and within countries (Colagrossi et. al, 2020); in the latter case, this inequality is being driven by the top earners (Therborn, 2012). According to the International Labour Organisation, the way in which the labour income distribution has changed led to considerable gains for the top, while leading to significant losses to the middle and lower-middle class, also described as a "hockey stick pattern", in several high-income countries (Data Production and Analysis Unit, 2019). For example, Figure 1 compares the income gaps across the world and shows that the bottom 50% earned 10 times less than the top 10% in Europe in 2021. This results in a greater income inequality, usually measured with the Gini Index, where a value of 0 means perfect income equality, while a value of 1 means perfect income inequality. Figure 2 compares the income inequality between 2000 and 2015 and shows that income inequality increased in Sweden, Denmark, Germany, France

and Austria for example. Additionally, an increase in the share of the top 5% does not necessarily translate into an increase in gains for the workers; instead, it results in losses for them (Data Production and Analysis Unit, 2019). Meanwhile, welfare states are under pressure with demographic changes, such as an ageing population and changing household patterns. A transforming labour market, as well as globalisation and immigration, put additional pressure on the state and on its capacity to redistribute wealth and income (Muñoz de Bustillo Llorente, 2019).

Figure 1: "Income gap across the world: Top 10% vs. Bottom 50%" (World Inequality Report, 2022)
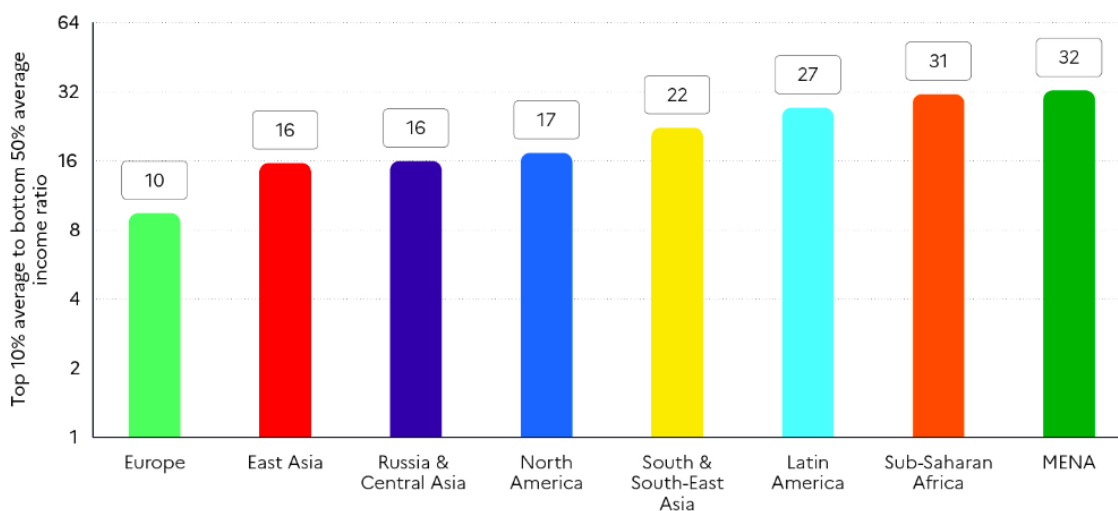
Interpretation: In Latin America, the bottom 50% earns 27 times less than the top 10%. The value is 10 in Europe. Income is measured after pension and unemployment benefits are received by individuals, but before other taxes they pay and transfers they receive. Numbers may not add up due to rounding. **Sources and series:** wir2022.wid.world/methodology

Graph retrieved from The World inequality Report. (World Inequality Report, 2022)

Graph retrieved from Our World in Data (Roser & Ortiz-Ospina, 2013)

This thesis wants to focus on income inequality before redistribution, that is, the differences in income between occupations and professions. More precisely, what people think of income inequality is of particular interest. Although varying redistribution schemes are put in place by states, it is still interesting to know what people think of how resources and opportunities are distributed before redistribution happens (Stiglitz & Rosengard, 2015). Indeed, political and democratic implications ensue from people's thoughts around pre-redistribution income inequality. First, income inequality can translate into political inequality: people with a high income probably have a high level of education too, and will be more likely to understand political debates and know how to engage in them (Lindberg, 2019). In addition, it is a matter of the legitimacy of the democratic system. If low-status groups, because of material inequality, cannot participate in political debates, the legitimacy of democracy is put into question (Lindberg, 2019). Indeed, the primary underlying factor behind most political unrest is the significant increase in inequality (Massing, 2020). Sometimes, this discontent can lead to anger and anti-elite populist movements that threaten the democratic foundations that European countries are based upon (Colagrossi et. al, 2020).

Finally, it is probably of much use for governments to get a sense of what leads to a certain level of income inequality acceptance, to initiate a reflection on why this could be and whether it should be solved; it is after all, as Piketty says, an "inequality regime" that allows a certain level of inequality to be maintained in society (Pazzanese, 2020).

The literature has observed many factors that can influence one's preferences for income inequality, such as one's level of income, but also one's culture, as well as one's experiences or environment (Janmaat, 2013). In the literature, this topic is studied from different perspectives (Janmaat, 2013). For example, some study shared ideas and beliefs that are related to perceptions and normative judgements of inequality (García-Sánchez et al., 2018; Mijs, 2019; Larsen, 2016; Sachweh, 2017). Others focus on contextual factors in order to explain individual beliefs on income inequality (Austen, 2022). Finally, individual characteristics have also been shown to be important in people's preferences for income inequality. Taking European countries as a sample, this thesis focuses on individual-level factors to explain people's acceptance of income inequality. More precisely, the socioeconomic status is of focus. The research question is as follows.

1.1 To what extent does the socioeconomic status influence one's likelihood to accept income inequality ?

1.1.1 Brief theory and methodology

Taking a structural position theory, this thesis studies how the socioeconomic status influences the likelihood to accept income inequality. Following this approach, preferences for inequality are shaped by individuals' structural position, due to individuals' self-interest and rationality that drive these preferences (Hadler, 2005). Indeed, people live in societies where socioeconomic factors determine to a large degree their experiences, their social interactions, their resources and opportunities. As a result, these attributes shape their attitudes towards ideas such as income inequality too (Janmaat, 2013, Gijsberts, 2012).

Additionally, the theoretical framework takes into account other factors that can influence someone's likelihood to accept income inequality; these are meritocratic beliefs linked to procedural justice, experiences of social mobility, expectations of future mobility, and the level of income inequality in society (Bucca, 2016; Larsen, 2016; Mijs, 2019).

Based on an objectivist ontology and epistemology, binary logistic regressions will be performed on a subsample made of 15 European countries. The dataset utilised for the analysis is derived from the latest "Social Inequality" module of the International Social Survey Program (ISSP) conducted in 2019. The results are presented in a table (Table 7) and interpreted and discussed in 6.2.

1.1.2 Outline of the thesis

First, the thesis will cover background knowledge in order for the reader to understand what is meant by inequality, what is being done against income inequality, and in what situations people accept income inequality. Second, the literature on people's preferences for inequality and income inequality is reviewed, and I discuss how people think of income inequality and why some people accept it more than others. Third, the theoretical framework is introduced. Each variable is presented, as well as the theory in which it is embedded, and hypotheses are laid out. Then, the methods, data and limitations are presented and their interpretation follows. Finally, the last chapter concludes the study: while answering the research question, it emphasises the importance of the findings for the field of study but also for society. Suggestions for future research are offered to deepen our understanding of income inequality preferences.

2 Background

2.1 Defining inequality

In this section, I define income and wealth inequality. I describe how this economic inequality has been increasing over the years and its negative consequences on society. Then, I mention the role taken by the state and by civil society to fight against economic inequality. Finally, I show that when economic inequality is seen as a meritocratic and fair process, people and society accept this inequality.

2.1.1 Income and wealth inequality

I will follow Therborn's definition of inequality for this thesis. His work is quite influential and his definitions and categories of inequalities demonstrate the consequences of inequality in society. According to him, "inequalities are avoidable, morally justified, hierarchical differences" (Theborn, 2012, p. 580). There are three types of inequality: vital inequality (inequality of health and death), existential inequality (freedom of action restricted for certain groups) and material inequality (inequality of opportunity and outcome). Material inequality means that people have "different resources to draw upon" (Therborn, p. 580). Inequality of opportunity is one aspect that is implied from material inequality, where access to education, opportunities and social capital is unequal. The other aspect is the inequality of rewards, that take the shape of inequality of income and wealth.

Income inequality refers to how unequal a distribution of income is in society before any redistribution has happened. Disparities of income can occur between

"individuals, groups, populations, social classes, or countries" (Carter & Howard, n.d). The difference in earnings between people has been increasing over the years, and the European Commission believes that it is due to globalisation, technological change, and institutional settings (Colagrossi et. al, 2020). For example, it argues that China's integration into the World Trade Organization led to trade pressures in Europe, which increased income inequality: the manufacturing sector in Europe decreased in size, which results in "a shift towards more skill-intensive production", accompanied with a "polarisation of wages within industrial sectors" (Colagrossi et. al, 2020, p. 43). Moreover, technological change is also thought to be responsible for the increasing income inequality. Indeed, the development in the information and communication technology sector led to an increased demand for high-skilled labour, and to an increased share of high-wage occupations (Colagrossi et. al, 2020). In addition, the role of innovation might also play a role in the widening differences in earnings: innovative sectors and areas are more likely to attract people who are skilled and who demand a high wage, resulting in an increase in the top incomes (Colagrossi et. al, 2020). Income inequality does not result from exogenous factors only. Indeed, the institutional framework matters: the European Commission showed that between 1990 and 2007 the difference in welfare regime states led to different outcomes for the expansion of low-skilled and low-paid jobs in the countries (Colagrossi et. al, 2020). Moreover, flexible labour market institutions that try to facilitate the restructuring of the economy can also have an impact on the income of the poorest (Colagrossi et. al, 2020). Finally, economic shocks like the economic crisis of 2008 increase income inequality too (Colagrossi et. al, 2020). The differences between a corporate executive's income and the average worker's income have increased a lot, compared to pre-modern times. Indeed, the richest 10% have been increasing their share of income since the 1980s (Colagrossi et. al, 2020). In other words, the top is driving the widening country-level income gap, what people also commonly refer to as " the top 1%" (Therborn, 2012).

Inequality of wealth, on the other hand, refers to income retrieved from "financial assets, such as bonds and stocks", property and inheritance (Equality Trust, n.d). Since accumulating wealth is a long process, there is a much higher concentration of wealth than income (Colagrossi et. al, 2020). In addition,

corporate income is also part of wealth, and multinational corporations avoid corporate tax through international taxation agreements (Colagrossi et. al, 2020). For example, approximately 35% of multinational corporations' profits within the European Union are transferred to tax havens (Tørsløv et al. 2018). Wealth inequality has been on the rise again since the late 20th and beginning of the 21st century, and is believed to continue to rise (Piketty & Zucman, 2015).

In general, income and wealth inequality have been rising, ever since controls were lifted on capital movements, transnational investments expanded, and a global executive market triggered the emergence of a small business elite on the stock market. Added to that, financial capitalism has come to live separately from the "real economy", and become a "gigantic gambling casino" involving an enormous amount of nominal money (Therborn, 2012, pp. 585-586). With the world becoming more globalised and liberalised, a paradox of distance can be observable. As a matter of fact, the distance between people has decreased dramatically, while, paradoxically, vital and income distance has increased (Theborn, 2012).

2.1.2 Consequences of economic inequality and the role of governments and civil society

Continuing with Therborn's typology of inequalities, one can note that the resulting inequalities are not only material but also vital and existential (Theborn, 2012). Indeed, economic inequality has consequences for people's possibilities to get access to health, for people's participation in political processes, and for people's access to education, jobs and social capital (Therborn, 2012). Economic inequality is a problem because it has negative consequences for society. First, it leads to other social inequalities (Colagrossi et al., 2020). Second, it leads to poverty, and to higher risks of inequality being transmitted across generations. Residential segregation is occurring, where social cohesion is threatened. Moreover, inequalities slow economic growth (Colagrossi et al., 2020). Finally, one can argue that inequality is a violation of human rights; one can compare it to a "lethal" hierarchy, where one's life span depends on his or her position on the social hierarchy (Therborn, 2012, p.582).

Some actions have been taken to fight against inequality, by governments but also non-governmental actors. For example, through redistribution and transfer programs, welfare states try to decrease market income inequality by redistributing income, so that the difference in disposable income between high-occupation earners and low-occupation earners is not too important (Colagrossi et. al, 2020). This is also to ensure that the inequality of income does not lead to an exclusive society, where not everyone has access to basic needs such as education, health, and public goods, that the market fails to provide in a fair way to all (Colagrossi et. al, 2020). The type of welfare state has important implications for the magnitude and effect of redistribution and transfer programs. Indeed, there exist three types of welfare states, the liberal, the conservative, and the social-democratic welfare state, that protects their citizens from market-resulting inequalities to different degrees (Arts & Gelissen, 2002). One central tool that they use is progressive taxation, where the tax rate increases with income (Stiglitz & Rosengard, 2015). However, in recent decades, until 2009, the top personal income tax rate of many incomes was decreasing, in France, Germany, and Italy for example. In efforts of fiscal consolidation, this downward trend was stopped by adopting higher tax rates (Colagrossi et. al, 2020).

Governments' stance towards wealth taxation, however, is quite different. Globally, rates of taxes on wealth have been decreasing since the 1980s, following the idea of the "trickle-down" economics, where allowing the wealthiest to accumulate wealth would benefit the whole society (Christensen et al., 2023). For example, Sweden is known to have high taxation on income, while having no taxation on wealth and inheritance (Worldwide Tax Summaries, n.d). Additionally, taxation systems seem to be more lenient with corporate sector income (Colagrossi et. al, 2020).

People have been protesting against this inequality of income and wealth in the world. For example, Occupy Wall Street in 2011 in the United States, protested against the inequality between the 1% at the top and the 99% left (Rogers, 2011). In France, the Yellow Vest movement in 2018 which protested against the burden of taxation on the middle and lower classes was deeply rooted in sentiments of anger about growing inequalities (Goodman, 2019).

2.1.3 Economic inequality and meritocracy

Not all inequalities are considered to be a problem. Indeed, some inequalities are considered to be "fair" to a certain extent and are not seen as a problem. This relates a lot to the fact that European societies are heavily based on meritocratic principles (Tyler, 2011). The term 'meritocracy' was first mentioned by Michael Young in 1958 in his book The Rise of Meritocracy. It narrates the rise of a dystopian meritocratic society in the United Kingdom in 2034, where the ruling elite justifies and maintains the status quo by supporting meritocratic ideals. In his book, merit is the result of intelligence and effort (Sobczak, 2018). Nowadays, meritocracy is not understood in pejorative terms. Rather, it became an ideal for people to judge the fairness of society's institutions (Sobczak, 2018).

Many try to find one definition for the term meritocracy, but the truth is that it is a complicated and unstable concept (Sobczak, 2018). It mixes "effort and talent, both innate and cultivated" (Tan, 2008, p. 8). In my understanding, a meritocratic society is one that rewards individuals' hard work and diplomas or educational and professional training. In a meritocracy, economic outcomes are based on these elements rather than on the individual's background (e.g. ethnicity, gender, or socio-economic class). The narrative of meritocracy follows this line of thought: economic inequalities are fair to a certain extent as long as everyone, no matter their social background, receives a good education, and has equal opportunity in universities and jobs (Jungblut et. al, 2017).

In order to make a system where education and hard work (the meritocratic principles) lead to a higher income and status fair, access to diplomas has to be democratised. This corresponds to the ideal of opportunity of equality and is linked to social mobility too. Social mobility is the movement of individuals on the social ladder, which can be upward or downward (Jungblut et. al, 2017). Thus, education is very important in today's society and has become more accessible to all (Jungblut, 2017). A massification of education, and of higher education, has been observed in Europe and in the world, and one can even talk of an "educational revolution" (Bovens & Wille, 2017).

3   Literature Review

This section will review how people think about income inequality and the reasons why some people accept it more than others. In order to do so, it will first focus on the basics of how people form beliefs and preferences. Then, a useful terminology of beliefs, perceptions and judgments will be presented. Finally, I discuss how people think of income inequality and why some people accept it more than others.

3.1 Belief system and preference formation

3.1.1 Belief system

Beliefs are what societies have been founded, developed and degenerated upon, and reason cannot explain these beliefs. Experience leads to beliefs, although prior beliefs are also necessary in order to process an experience. "Beliefs, reason and experience, are based upon each other" (Doménech & Nescolarde-Selva, 2016, p. 147). Added to that, context is also made of these three and is the result of the dynamic interaction of beliefs, ways of reasoning and experiences. Belief systems, although used quite differently by different fields, "are structures of norms that are interrelated" (Doménech & Nescolarde-Selva, 2016, p. 147). Belief systems are what we use as humans to make sense of the reality that surrounds us. The world needs to make sense for people to survive, and belief systems give explanations to people as to why things are the way they are. Doménech and Nescolarde-Selva (2016) give many characteristics and elements of the belief system, and a few of importance will be mentioned. For example, belief systems categorise concepts as either "good" or "bad", because of some properties of these concepts or because of their outcomes. Additionally, belief systems define values. What is good is usually rewarded by the social system. Moreover, belief systems

allow people to know where they stand in comparison to other things, such as "nature, social events or other social groups" (Doménech & Nescolarde-Selva, 2016, p. 151). Equality between people is a concept that is specific to belief systems for example (Doménech & Nescolarde-Selva, 2016).

Thus, a belief system (and its beliefs, values and norms that ensue) are socially constructed, meaning that they can change with time. However, the position of this thesis is that although these belief systems change, they change slowly.

3.1.2 Preference formation

A preference is "a comparative evaluation of a set of objects" (Druckman & Lupia, 2000, p. 2). It is a "cognitive marker" that allows people to navigate their environment. The objects of preference can be observable and unobservable, like ideas and norms. It is important to recognize the influence of personal experiences on an individual's preferences; they incentivize the individual to differentiate while the cognitive capabilities allow her to remember and evaluate. When people evaluate objects, they base their evaluation on beliefs. These beliefs are the product of the interaction between the individual and the structure that surrounds her, and this is interesting because it means that preferences emerge from these interactions too; uncovering their mechanisms in important social contexts is a challenge (Druckman & Lupia, 2000).

3.2 Perceptions, judgements and beliefs

The literature makes a distinction between perceptions, beliefs and judgements (Janmaat, 2013). As this section will show, these terms are closely related and it is easy to confuse them and use them interchangeably. However, it is important to recognize their different meanings so that the research design of this thesis remains clear.

- "Perceptions refer to subjective estimates of existing inequality (i.e. thoughts about what is)
- Judgements are normative evaluations of existing inequality (i.e thoughts about how desirable or good the current situation is)
- Beliefs are normative ideas about just inequality (i.e thoughts about what should be)" (Janmaat, 2013, p. 359)

It is probable that perceptions, judgements and beliefs are related to each other. Indeed, the gap between perceptions and beliefs will influence the judgements. Moreover, the likelihood of judgements of existing inequality being harsher is higher if the gap between perceptions and beliefs is important (Janmaat, 2013). Additionally, the literature has also observed that perceptions and beliefs are strongly linked: beliefs are little by little adjusted to perceptions by people, in order to cope with the inconsistency between their perceptions and beliefs (Homans 1974, as cited in Janmaat 2014). However, other studies show that one's environment does not necessarily impact people's normative ideas about just inequality (Forsé & Parodi, as cited in Janmaat 2014).

Concretely, this thesis is looking at people's income inequality acceptance, which deals with all these three terms. Indeed, income inequality acceptance deals with perceptions, because people base their acceptance on the inequality they perceive (Janmaat, 2013). Income inequality is also linked to judgements, because people accept or do not accept income inequality based on their normative evaluation of income inequality (Janmaat, 2013). Finally, income inequality acceptance also informs beliefs: if individuals do not accept income inequality, it means they have ideas about what a just inequality should be (Janmaat, 2013). This thesis will use the word 'preferences' as a word that encompasses all three of these terms.

3.1.3 Perceptions and (mis)perceptions of inequality

Before delving into what precisely impacts people's judgements and beliefs of inequality, it is important to first recognise that these judgements and beliefs are not always based on what is actually happening in society.

A very important research, done by Gimpelson and Treisman (2017), shows that contrary to prior beliefs, ordinary people do not know how high inequality is, do not know about its evolution, and cannot place themselves correctly on the income distribution. Things like "the average wage nationwide, average salaries in different jobs, the top one percent's share of wealth, or the current poverty rate" were not even approximately identified by the participants of the study. Giger and Lascombes (2019) also find that since 1999 there has been a persistent underestimation of inequality, but this underestimation has not become more distorted over time. This is also confirmed by Kiatpongsan and Norton's study (2014), which shows that in 2009, people "dramatically underestimate actual pay inequality". Interestingly in 2009, income inequality was perceived to be rising rapidly by citizens, which could be linked to the Great Recession of 2008. More specifically, results suggest that "individuals are well aware of the rising inequalities at the top end of the distribution" (Giger & Lascombes 2019). While the underestimation of inequality by people occurs, overestimation happens too, like in France and Germany (Niehues, 2014). One country where the perception of inequality corresponded quite accurately to actual income inequality is Norway (Niehues, 2014). It is worth noting that perceptions of wealth inequality follow the same pattern of being misperceived (Norton et al., 2014).

But why can perceptions be biassed and not reflect reality? Major investigates the reasons why perceptions can be biassed and not reflect reality (1994). She finds that people, when asked to evaluate and assess income inequality, have the tendency to compare themselves to intra-group members rather than intergroup members. This happens because the information about the intra-group is easier to access and more available. This has negative consequences for one's awareness of disadvantage and also tends to legitimise disadvantage. Furthermore, these perceptions of inequality can stem from biassed inferences, where individuals base their perception on what they see; most people are exposed every day to people richer than them and to people poorer than them, making them believe that they are situated in the middle. People might also generalise what they observe in their neighbourhoods to a nationwide phenomenon (Gimpelson & TReisman, 2017). Moreover, other factors determine how people perceive inequalities of income and meritocracy and will be discussed more in detail later.

3.3 Theories on determinants of income inequality preferences

There are four dominant approaches to inequality preferences studies, and I will be drawing on Janmaat's categorisation to organise the following literature review (2013). All of these approaches focus on the individuals' views of inequality, but use different kinds of explanatory factors.

First of all, a functionalist approach assumes that the socioeconomic conditions are reflected in people's values and attitudes (Janmaat, 2013), and that there are certain conditions shared by countries with the same level of economic development that lead to similar cultural patterns. This branch of the literature focuses on narratives to explain people's views on economic inequality. For example, Western societies' populations are believed to have the same narratives about meritocratic principles (for example), since these principles are key to the functioning of their market economies. Second, a cultural or regime perspective assumes that each country has had their own path and that cultural values and norms are specific to the unique path it took. Third, another branch of the literature focuses on certain country-level factors to explain differences in people's acceptance of economic inequality. These are "properties that are genuine to societies, that individual attributes cannot account for" (Janmaat, 2013, p. 372). Finally, the last branch of the literature looks at individual-level factors that influence people's preference of income inequality. This literature views differences in views on inequality as a consequence of differences in population composition. The composition of the population is important because of the economic structure of a society that impacts peoples' experiences and life. The main results of this literature are as follows in the next section.

3.3.1 Ideas, beliefs and culture

This first section will discuss the literature on ideas, beliefs, and culture, and how they impact people's judgements and preferences of income inequality. These beliefs are usually referred to as system-justifying beliefs. System-justifying

beliefs are ways for people to make sense of their unequal realities, and to cope with them (García-Sánchez et al., 2018). For example, Belief in a Just World is a belief system that allows people to continue to have faith in the system in which they live, despite the injustices they see or are victims of (García-Sánchez et al., 2021). Using the data of 27 countries of the 9th wave of the ESS survey, García-Sánchez et al. (2021) finds that the relationship between beliefs in a just world and the perceived fairness of overall wealth inequality is significant, with a more positive relationship on the legitimacy of the bottom 10% than on the top 10%. Meritocratic beliefs and equality of opportunity beliefs are also system-justifying beliefs (García-Sánchez et al., 2018). While meritocratic beliefs refer to competence, talent and effort, equality of opportunity refers to the "conditions that allow the development of these merits" (García-Sánchez et al., 2018). García-Sánchez et al.'s (2018) findings support the thesis that equality of opportunity beliefs (at the individual and social levels) and meritocratic beliefs (at the individual level) are significantly important in the relationship between perceived and ideal economic inequality. Staying on the topic of equal opportunity, Sachweh (2017) observes that interviewees acknowledge how social and ethnic origins structure educational disparities. Additionally, Sachweh finds that equality of opportunity serves an ambivalent position. Indeed, if equality of opportunity (provided by the state) is perceived to be lacking in society, economic inequality is unfair, illegitimate, and criticised. At the same time however, if equality of opportunity is perceived to be existing and well-functioning in society, economic inequalities are seen as just and as reflecting one's lack of work, effort and good decisions. For example, Mijs (2019) looks at 25 years of the ISSP, and is interested in the perception of the income gap and how meritocratic principles legitimise rising inequality. He finds that faith in meritocracy since the 1980s has not been lost. Larsen (2016), finds that three narratives of modernity, largely relating to meritocracy, influence the acceptance of income difference across countries, by using the data of 38 countries of the 2009 ISSP. People will tolerate income differences if they trust in social mobility; they believe they or their children will soon move forwards naturally. Similarly, past experiences of social mobility shape beliefs too. People who have succeeded to rise socially are more likely to attribute success to their hard work and "to rely on their experience to explain the failure or success of other members of society", rather than blaming

society for one's failure to rise socially (Bucca, 2016). Last but not least, people believe in "procedural justice", where everyone is supposedly treated the same by the free market; someone getting ahead in life is due to their efforts rather than social background, meaning that income inequality is fair. Finally, when people think that they live in a middle-class society, they are more tolerant of income differences (Larsen 2016).

Interestingly, even when people disapprove of extreme inequalities, it does not mean that it is the lack of equality that is of concern in people's eyes. It is what Sachweh (2012) noticed in his qualitative study. Applying a moral economy perspective to Germany, he shows that although adhering to inegalitarian meritocratic principles, people criticise extreme differences in poverty and wealth and do not tolerate them because these instances segregate society: they prevent the poor to participate in society according to the societal norms, and allow the rich to lead a luxurious life that deviates completely from normality. Thus, the perception that the social bond is threatened by economic disparities is what leads to the perception of inequalities, and not income inequality per se.

One thing to note in the literature on system-justifying beliefs is the seemingly interchangeable use of the terms 'perceptions', 'judgements' and 'beliefs'. For example, Mijs (2019) talks about a 'faith in meritocracy', and beliefs in meritocracy, and Larsen (2016) mentions the belief in procedural justice. To measure these processes, the authors use the survey question "how important the following is in getting moving ahead?" with options such as coming from a wealthy family, having well-educated parents, knowing the right people or working hard and having a good education oneself. While these authors understand the answers to this question as reflecting people's beliefs in meritocracy (Larsen, 2016, Mijs, 2019), that is, their thoughts on "what should be?" (Janmaat, 2013, p. 359), I understand this survey question as reflecting what people perceive of the functioning of society, i.e, is society working on meritocratic principles? Answering a question on what is important to get ahead in society does not necessarily inform whether the respondent agrees with its importance. But as Janmaat showed, beliefs and perceptions are very much related, so it is possible that what people perceive is actually what they believe in. Moreover, the lack of agreement in the literature on whether this widely used survey question reflects beliefs or perceptions amounts to a matter of

interpretation; the respondents might also show a different understanding of this question. Thus, these articles would have benefited from including an explanatory note on what is understood as belief in meritocracy, and the ISSP would have benefited from a clearer formulation of this particular question. Furthermore, it is important to mention how this literature operationalizes meritocracy. It tends to measure the 'beliefs' in meritocracy with items that measure non-meritocratic 'beliefs' (or the opposite). Then, the assumption is that the absence of one means the presence of the other. However, as Castillo et al. argue, "meritocratic and non-meritocratic dimensions are not necessarily two poles of the same continuum" (Castillo et. al, 2021, p. 2).

3.3.2 Contextual factors

This section will discuss which factors are studied in articles that take a macro approach to inequality beliefs.

In an era of globalisation, tolerance of income inequality could have increased and become more similar between the countries (Austen, 2002). Austen studied the evolution of attitudes towards income inequality between 1987 and 1992 in a survey of 1000 Australians. He found that the perception of fairness of income inequality's legitimacy is heavily influenced by the actual level of inequality, in each time period and country, meaning that culture is heavily influenced by the economic context. Furthermore, there are differences between countries, despite globalisation trends in wages. Bucca (2016) finds in a qualitative study in Latin America that the strongest indicators of individuals' attitudes towards wealth and poverty are the factors that exist at the country level ("even after controlling for socioeconomic and demographic characteristics of individuals") (Bucca, 2016, p. 106). This means that contextual factors, such as the economic, political and economic landscape play a very important role in people's beliefs. Moreover, he finds preliminary evidence that refutes the "reflection hypothesis", which posits that people's perception of income inequality reflects the "actual sources of inequalities in a given society". This "reflection hypothesis" has also been tested by others without convincing results (Austen, 2002). Additionally, even if

perceptions of meritocracy and inequality differ between countries, countries share the same frames when talking about inequality of income; Østerby-Jørgensen (2022) identified such frame in China. For many countries, income inequality relates to differences in effort, ability, or contribution and is fair and justified. Regarding actual levels of inequality, increases in the GDP per capita lead to increases of perception of meritocracy (Dulu-Bellat & Tenter, 2012). Additionally, Mijs (2019) shows that in countries with a high level of inequality, meritocratic factors are more believed to be at the root of individual success rather than a person's family wealth and connection (structural beliefs). Dulu-Bellat and Tenter found similar results, stating that "citizens in more unequal societies are less likely to understand inequality in structural terms" (Dulu-Bellat and Tenter, 2012). However, Gimpelson and Monusova (2014) find that people's attitudes to inequality depend little on the actual levels of inequality. Similarly, Garcia Sanchez (2021) who studies how the Belief in a Just world legitimises economic inequality, finds that economic inequality does not increase the positive relationship between belief in a just world principles and the legitimation of economic inequality. However, what belief in a just world entails is a bit different than belief in meritocracy and could explain the different results.

3.3.3 Individual level factors

This section will discuss which factors are studied in articles that take a micro approach to inequality beliefs. Mostly, these articles follow the theory that one's social position has an impact on people's income inequality preferences because of their self-interest (Hadler, 2005). This relationship has been quite consistently observed in research. For example, education and income levels are important variables in the relationship between income diversity and the perception of the income gap between the rich and the poor (Minkoff & Lyons, 2017). Roex et al. (2018), using the ISSP survey of 2009, finds that attitudes towards inequality are more polarised between different social strata in societies with more prevalent meritocratic perceptions. Additionally, Knell and Stix (2020) find strong and robust support for the framework that predicted that people's subjective income position has implications for their perception of inequality (Austen, 2002). Indeed,

they find that people with a low (high) income underestimate (overestimate) their position in society, perceive the income distribution as a pyramid shape (inverted pyramid), estimate lower (higher) average earnings, and "have a higher estimate of the Gini coefficient" (lower).

Furthermore, the way one understands and explains inequality is also highly impacted by socioeconomic factors. Indeed, understanding inequality in structural terms is highly negatively impacted by high subjective social status, education, social class and having experiences of upwards social mobility (Mijs, 2019). This means that people belonging to a higher class will tend to justify inequality of income through meritocratic factors rather than society's structure and functioning. These observations are "stronger for lower and upper middle class people compared with working class citizens". This theory has been confirmed by Kuzeela's qualitative study (2022), where Finnish top earners see income inequality as a legitimate outcome. Interestingly, when delving deeper into the adherence to inegalitarian meritocratic principles with qualitative interviews, Sachweh (2012) observes only "moderate class differences in perceptions", which is different from what the other literature has observed so far. He however points out the fact that although sharing a similar repertoire of inequality and meritocratic norms between different classes, their understanding differs; classes understand the notion of merit differently.

In addition, views and understanding of equality of opportunity also differ depending on social class. Sachweh (2017) shows that classes show differences in their view of equality of opportunity; while the upper classes understand equality of opportunity as a normative ideal, lower classes recognize the lack of opportunity "but see it less as a normative reference point", without asking for the government to intervene to increase the equality of opportunity.

4   Theory

This section will present the theoretical framework. This thesis looks at the socioeconomic status in order to explain why some people accept income inequality while others do not. More specifically, a structural position theory is taken, where the self-interest and rationality of the individual are thought to be powerful drivers in the relationship between the socioeconomic status and income inequality acceptance: people who belong to a higher socioeconomic status will tend to accept more income inequality since they are less affected by it compared to people with a lower socioeconomic status. Moreover, the theoretical framework incorporates elements of the literature that focuses on beliefs, experiences and contextual factors.

4.1   Structural position theory

The theoretical framework will take an individual-level approach because aspects such as income, education, and social class have been shown to influence someone's income inequality preferences. As has been shown in the literature review, this has an important influence on people's perceptions, judgments, and beliefs about inequality. More specifically, the thesis will follow the Structural Position theory, which, although not always explicitly stated, relates to most of the articles cited in the micro section of the literature review (Hadler, 2005). Following this approach, preferences on income inequality are shaped by individuals' structural position, accounted for by: the socioeconomic status (where people are economically and socially compared to others), the level of education, the occupational class (someone's position in the production processes), the working status, the level of income, but also gender and age (Gisjberts, 2012; Janmaat, 2013; Hadler, 2005; Bucca, 2016). In this thesis, someone's structural position will be based on their socioeconomic status only,

that is where they are socially and economically compared to others. This might be seen as simplifying underlying mechanisms and complexities, but the socioeconomic status should be a reflection of people's attributes mentioned above, since it refers to "the position of persons in society, based on a combination of occupational, economic, and educational criteria" (Socioeconomic status, n.d).

Why would someone's socioeconomic status impact their preferences on income inequality? As far as my understanding goes, this is because of how society, and more specifically the economy, is structured; people live in a society where socioeconomic factors determine so much of people's life (their experiences, social interactions, resources, opportunities) that these attributes shape their attitudes towards ideas such as inequality too (Janmaat, 2013, Gijsberts, 2012). More particularly, this theory relies heavily on the notion of self-interest and rationality, assuming that people base their self-interest on their status, and that their worldviews result from it (Gijsberts, 2012). When linked to preferences for inequality, it states that processes which favour or disfavour equality and inequality are seen as a loss or gain by individuals (Gijsberts, 2002). More concretely, people at a lower social strata will be in favour of equalisation because they believe they will win from it, while people at a higher social strata believe that they will lose from it and are thus not in favour of it. This has logical consequences for income inequality preferences. Indeed, people who belong to a higher socioeconomic status will tend to accept more income inequality since they are less affected by it (Curtis & Andersen, 2015). One might even say that they support inequality, because they benefit from it (Roex et. al, 2019); after all, they are the ones who earn more than others. On the contrary, income inequality directly affects people of lower social positions as it results in fewer economic resources for them; they will thus be less likely to accept income inequality (Curtis & Andersen, 2015). This is summarised in Table 1 as H1.

4.2 Perceptions of procedural justice, social mobility, and level of income inequality

Moreover, this theoretical framework is not blind to factors of other nature that can influence one's acceptance of income inequality. One's acceptance of income inequality is not determined fully at birth, but is also a result of one's experiences, whereby one's own personal experiences shape what one believes to be true about society more generally. These factors will be considered in the analysis.

First of all, system-justifying beliefs are of importance: these are ways for people to make sense of their unequal realities (García-Sánchez et al., 2018). These beliefs, whether they are beliefs in a just world (García-Sánchez et al., 2021), meritocratic beliefs or equality of opportunity beliefs (García-Sánchez et al., 2018; Sachweh, 2017; Mijs, 2019; Larsen, 2016), can increase people's acceptance of income inequality and should be included in the theoretical framework. They will be included under the name 'Perception of procedural justice'. But what is procedural justice? It was mentioned briefly in the literature review, but I will give a more precise definition for this theoretical framework. 'Procedural' refers to the steps to get ahead in society, provided by the economic market (Tyler, 2011). The term "just" refers to people's beliefs in fairness. Typically, individuals will perceive a low level of procedural justice when they see that some people manage more successfully to get ahead in society in an unjust way, using their family's connections, wealth, and bribes. People will perceive a high procedural justice when they see that others manage to get ahead in society in a fair way: hard work, education, ambition, skills, experience, etc… The argument behind procedural justice is that contrary to pre-modern markets where the aristocracy was in control, and where one's position in society gave access to some opportunities, current markets do not treat individuals differently based on their social origins (Larsen, 2016). Current markets are supposed to be fair, and to provide equality of opportunity to all to get ahead in society if they want, no matter their social background (Tyler, 2011). The idea of this paragraph corresponds to H2 in Table 1.

Furthermore, the "tunnel effect" (Hirshman & Rothschild, 1973, as cited in Larsen, 2016), is of importance too, and states that believing that society is on the move forward makes people accept more income inequality since they expect they will themselves too rise (Larsen, 2016). Moreover, past experiences of social mobility too shape one's worldviews (Bucca, 2016). This corresponds to H3 in Table 1.

Finally, the literature taking a contextual perspective showed that certain conditions of society shaped individuals' views on inequality (Janmaat, 2013; Austen, 2002). In contexts of high levels of inequality, individuals can understand inequality as the result of meritocratic principles and thus accept income inequality more (Mijs, 2019). Although showing different results, this theory will be accounted for with the level of income inequality in society. This corresponds to H4 in Table 1.

Table 1: Variable, theory and hypotheses

	Variable	Theory	Hypothesis
H1	Socioeconomic status	According to structural position theory, socioeconomic status influences income inequality acceptance, because of the different impact that income inequality has on individuals with different socioeconomic status.	People with a higher socioeconomic status are more likely to accept income inequality than people with a lower socioeconomic status.
H2	Perception of procedural justice	People's perception of procedural justice influences income inequality acceptance, because perceiving a fair process means that the resulting inequality is fair.	People who perceive a higher perception of procedural justice are more likely to accept income inequality.
H3	Social mobility	Experiences of social mobility influence income inequality acceptance, because experiences shape beliefs about income inequality. According to the 'tunnel effect', expectations of upward future mobility influence income inequality acceptance, because individuals think they will rise on the socioeconomic scale.	Past mobility (whether downward, stable or upward) influences the likelihood to accept income inequality. Future upward mobility leads to an increased likelihood of income inequality acceptance.
H4	Level of income inequality in society	The level of income inequality in society influences income inequality preferences, because it shapes people's tolerance of income inequality.	The level of income inequality influences the likelihood to accept income inequality.

5   Methods and Data

5.1 Ontology and epistemology

This thesis takes an objectivist and foundationalist stance in its ontology and epistemology.

This thesis follows an objectivist ontology, which assumes that social reality is an external objective reality (Bryman, 2012). Individuals are rational, although boundedly so; with a limited amount of information, they find the most optimal way to secure their goals, which reflect their self-interests (Lowndes et. al 2017). The relationship between the world and the individuals is as follows: society is a structure that constrains individuals' actions and decisions (Brymaan, 2012). Other sorts of beliefs related to what they think is right, just, and fair are also influencing their way of thinking. Earlier, this thesis recognised that belief systems are constructed and changing, and that people's preferences are thus malleable. However, this thesis assumes that belief systems change slowly and that people, although affected by it, change their ways of thinking very slowly, and in largely predicted ways.

This thesis takes a foundationalist approach; it assumes that people are comparable (because they are rational, self-interested, and bounded by the structure around them) and claims to observe the truth by using the same measures on participants of a big survey. The aim of the research then, is to have generalisable and replicable findings, and to find a model that is as close to the real world. I will follow a deductive theory: starting from a theory and drawing hypotheses, I will verify whether the findings confirm or reject the theory. Based on that, the theory can be revisioned (Bryman, 2012).

5.2 Data

This section presents the "Social inequality" module of 2019 the International Social Survey Program (ISSP), and the 15 European countries that make the sub-sample. Then, how the dependent and independent variables are operationalised will be presented, as well as the control variables. Finally, the descriptive statistics for the continuous and categorical variables are presented in a table.

5.2.1 Data and sample

This section presents the data used in this thesis. The data used for this thesis is the most recent survey "Social Inequality" published in 2019 by the International Social Survey Program (ISSP). The data of the older versions of this survey have been covered a lot in the literature, which shows the relevance of the ISSP surveys in covering people's attitudes to inequality. The sub-sample used in this thesis is made of 15 European countries.

The thesis uses the module "Social Inequality" published in 2019 by the International Social Survey Programme, containing data from 29 ISSP member countries (Gesis - Leibniz Institute for the Social Sciences, 2019). This module has been conducted five times, in 1987, 1992, 1999, and 2009, and the most recent "Social inequality" module was published in 2019.

This data allows me to capture the theory well. Indeed, it is a cross-sectional survey that informs on people's "attitudes towards income inequality, views on earnings and incomes, legitimation of inequality, career advancement by means of family background and networks, social cleavages and conflict among groups, and the current and past social position" (Gesis - Leibniz Institute for the Social Sciences, 2019). Additionally, the fact that this data matches the theory seems to be confirmed by the number of articles discussing topics of inequality perceptions, misperceptions, judgements, beliefs and redistribution preferences, that use the ISSP survey (Austen, 2002; Castillo et al., 2021; Duru-Bellat, 2012;

García-Sánchez, 2018; Gimpelson & Monusova, 2014; Knell and Stix, 2020; Larsen 2016; Mijs, 2019; Roex et al., 2018).

In light of the fact that most of the literature on this topic uses the ISSP of the previous years, the aim of this thesis is to investigate to what extent the structural position theory can explain the variation of acceptance of income inequality with the ISSP data of 2019, ten years later than the previous one. Moreover, most of the literature uses the terms beliefs, perceptions, and judgements interchangeably making it hard for readers to understand and compare results (Janmaat, 2013). In order to contribute to making this field of research clearer and make my results replicable, I am aware of Janmaat's (203) typology and define precisely what is understood as beliefs, or preferences in this thesis.

This thesis will work with a sub-sample of 15 European countries: Austria, Bulgaria, Croatia, Czech Republic, Denmark, Finland, France, Germany, Italy, Lituania, Norway, Slovenia, Sweden, Switzerland, and Great Britain. These countries have been chosen because they all share similarities in their values and their views of how a society works, because of their European geographical, historical, and political history (Akaliyski et al., 2021). As a result, this thesis can observe shared patterns in income inequality views and hopes to make generalisations. Table 2 shows the percentage of respondents that accept and who do not accept income inequality, by country. In general, a large majority do not accept income inequality.

Table 2: Percentage of Respondents Accepting Income Inequality by Country (Valid Cases)

	Accepts income inequality	Does not accept income inequality
Austria	11,5	88,5
Bulgaria	3,3	96,2
Croatia	7,5	92,5
Czech Republic	26,2	73,8
Denmark	39,7	60,3
Finland	29,7	70,3

France	14,6	85,4
Germany	8,2	91,8
Italy	6,7	93,3
Lithuania	10,3	89,7
Norway	32,8	67,2
Slovenia	9,6	90,4
Sweden	30,5	69,5
Switzerland	16,2	83,8
Great Britain	19,3	80,7

5.2.2 Operationalisation

This section covers the operationalisation of the dependent and the independent variables.

Table 3: Operationalisation of the variables

Dependent variable		Operationalisation
Income inequality acceptance		A binomial variable, with two possible outcomes: 0= Does not accept income inequality, and 1= accepts income inequality. The ones agreeing and agreeing strongly to the statement "how much do you agree with this statement: Differences in income [in country x] are too large" were put in category 0, while the ones disagreeing and disagreeing strongly with it were put in 1, as well as the ones neither agreed nor disagreed. (1)
	Independent Variables	Operationalisation
H1	Social economic status	Participants were asked to rank their socioeconomic status on a scale from 1 to 10, where 1 means they are positioned at the bottom, and 10 at the top. (2)
H2	Perception of procedural	Measured with a scale from 0 to 100, made of

	justice	the answer from 5 questions, where a score of 0 corresponds to a low level of perceived procedural justice, and a score of 100 corresponds to a high level of perceived procedural justice.(3)
H3	Past mobility	Three categories of future social mobility were computed: downward, stable and upward. The reference category is "upward mobility"(4)
	Future Mobility	Three categories of future social mobility were computed: downward, stable and upward. The reference category is "upward mobility"(4)
H4	Level of income inequality in society	Gini coefficients of 2019 were imported from the World Bank, and range between 0 and 1. A score of 0 means perfect equality, and a score of 1 means perfect inequality. Thus, an increase in the Gini coefficient means an increase in inequality in society. (5)

(1) The decision to put the ones who "neither agree nor disagree" in the category" accepts income inequality" is based on my assumption that if income inequality did bother them, they would have chosen the answer "agree". To say "neither agree nor disagree" shows that income inequality is not such a big topic to them and that it is not something they have thought of.

(2) This is the *subjective* socioeconomic status. In light of the difficulty to compare income with the ISSP data (Larsen, 2016), the subjective socioeconomic status was more fitting. Some researchers measure the socioeconomic status with occupations (Oesch, 2006). However, due to coding divergences in the survey, difficulties to measure occupations, the large variance within the same occupational title, or the dissociation between one's occupation and one's social status, the occupational class is not the most optimal measure for this thesis (Belloni et. al, 2016; Oesch & Vigna, 2023). The advantage that comes with subjective socioeconomic status is that laypeople can easily see class hierarchy in society; they have way more knowledge of their social positions than researchers can conclude from objective income measures (Oesch & Vigna, 2023).

(3) Participants were asked how important the following is in getting ahead in life: "coming from a wealthy family", "having well-educated parents", "knowing the right people", "having political connections", "giving bribes", on a likert scale (1-5), where 1 = "essential for moving ahead", and 5 = "not important at all". Answers were recoded to a scale of 0 to 4, summed, and multiplied by 20 to make an index from 0 to 100, for ease of interpretation (Larsen, 2016). The inter-item mean of this index is 0,431, and Cronbach's alpha is 0,7.

(4) Past social mobility is computed by subtracting the respondents' family's position on a scale of 1 to 10 from the respondents' position on the same scale. The same process is applied for future social mobility, with the question "where do you see yourself in 10 years" on a scale (1-10)?". Negative values were categorised as "downward past mobility", a value of 0 was categorised as "stable past mobility", and positive values were categorised as "upward past mobility".

(5) The Gini coefficient measures to what extent income inequality in a country is equal or unequal (OECD, n.d; DataBank; World Bank, n.d).

I also include standard controls. These are the biological sex of the participant (the reference is "male"), and the age (measured on a scale). Usually, the level of

income is also included as control variable. However, the ISSP survey does not provide a standardised variable of income levels that would allow me to compare income levels across countries. Many authors in the literature on inequality preferences choose not to include levels of income for that reason and to use the level of education, since it largely reflects one's level of income, as well as the self-position on the socioeconomic scale (Larsen, 2016; Roex et al., 2018; García-Sánchez et al., 2018). Thus, the highest completed degree of education will be a control variable made of six different categories: no formal education, primary school (elementary education), lower secondary (secondary completed that does not allow entry to university: end of obligatory school), upper secondary (programs that allows entry to university), post secondary, non-tertiary (other upper secondary programs toward the labour market or technical formation), lower level tertiary (also technical schools at a tertiary level) and upper level tertiary (Master, Doctor). "Upper-level tertiary" will be the reference category. Finally, country dummy variables are also included to control for the potential effect of countries.

5.2.3 Descriptive statistics

This section presents the descriptive statistics of the different variables.

Table 4: Descriptive Statistics for Continuous Variables

	Mean	Standard deviation	Minimum	Maximum	Valid	Missing
Age	51,60	17,138	15	98	21 322	95
Comparative highest level of education	3,73	1,517	0	6	21 191	226
Socioeconomic status	5,59	1,662	1	10	21 025	392
Perception of procedural justice	59,823	19,867	0	100	18 148	3269
Gini coefficient	,300	,042	,246	,402	21 417	0

Table 5: Descriptive Statistics for categorical Variables

Variable	Category	Frequency	Valid percent	Valid	Missing
Income inequality acceptance	Accepts income inequality	3 778	18	21 012	405
	Does not accept income inequality	17 234	82		
Biological Sex	Male	10 104	47,3	21 369	48
	Female	11 265	52,7		
Highest level of education	No formal education	94	0,4	21 191	226
	Primary school	444	2,1		
	Lower secondary	5 342	25,2		
	Upper secondary	4 562	21,5		
	Post secondary, non-tertiary	3 355	15,8		
	Lower level tertiary	3 563	16,8		
	Upper level tertiary	3 830	18,1		
Past mobility	Downward	4 898	22,9	21 417	0
	Stable	7 596	35,5		
	Upward	8 923	41,7		
Future mobility	Downward	5 854	27,3	21 417	0
	Stable	9 299	43,4		
	Upward	6 264	29,2		

Note: Valid and Missing represent the valid and missing answer of the variable itself, all categories together. For example, "Accepts income inequality" and "Does not accept income inequality" together have 21 012 valid answers.

5.3 Methods

This section covers the methods used. Binary logistic regression is conducted because I want to predict when someone accepts income inequality, and when someone does not, which is in other words a binomial outcome. Three models will be conducted: one with the socioeconomic status only and the control variables, another one where the other independent variables are added (perception of meritocracy, past mobility, future mobility, and level of income inequality in society), and a last one where country dummies are controlled for. Some assumptions of the binary logistic regression are unlikely to be met, and this is solved by adding the country dummies to the regression. Finally, the results will be presented in a table, where the overall fit of the models, as well as the predictors' estimates, significance and odds ratio, will be interpreted.

5.3.1 Binary logistic regression

This study uses a quantitative approach with the Statistical Package for the Social Sciences (IBM Corp, 2022), with a logistic binary regression (confidence interval set to 0.05). A regression is fitting, since I want to describe the relationship between the dependent variable "Income inequality acceptance" and the independent variables (Hosmer et al., 2013). Similar to any other regression analysis, the goal of a binary regression is to find the model that describes best the relationship between the dependent and independent variables and is closest to reality (Hosmer et al., 2013). What makes a logistic regression different however, is the fact that the outcome variable is binomial, and that the model tries to predict it happening or not happening. Indeed, this thesis is ultimately interested in knowing what predicts best someone from accepting or not income inequality. Moreover, the predictors in this study are both categorical and continuous, which a logistic regression can use (Field, 2009, p. 265).

5.3.2 Fitting the model

The logistic regression in this thesis follows these steps. First, I conduct a first logistic regression with the main independent variable being socioeconomic status and with controls (age, gender, education). In a second model, I add the other predictors to the model: perception of meritocracy, past mobility, future mobility, and levels of inequality in society. This is to see how influential the socioeconomic status is when it is on its own in the model, and to see how its predictive power changes when other influential predictors are also included (perception of meritocracy, past mobility, future mobility, and levels of inequality in society). Finally, a last model that adds country dummies will be fitted to account for the potential problems that can arise. There are two reasons for adding the country dummies to the last model. Firstly, the Gini coefficient might behave differently when the effect of the country is accounted for, because they are highly correlated. Second, the effect of the different countries can have an impact on the model. Finally, the clustering of the data has some implications for the assumption of a binary logistic regression. These reasons will be explained in the following section.

5.3.3 Assumptions of a binary logistic regression

Logistic regression has assumptions to be met (Field, 2009). First, there should be linearity between continuous predictors and the logit of the outcome variable. Second, the cases should be independent and unrelated to each other. Finally, multicollinearity should not be too high between the predictors. Usually, this is checked with tolerance and VIF, where a tolerance higher than 0.1 and a VIF smaller than 10 is considered acceptable (Field, 2009).

In our case, multicollinearity is not too high: the variables are not too highly correlated. However, the assumption of linearity and of independence of cases is likely to not be met because of the nature of the data: since 15 countries are included in the analysis, there is potential for the data to be hierarchical and clustered, meaning that some variables are "nested within other variables" (Field, 2009, p.726). In our case, the variables in which our independent variables are nested are the countries. This is a problem, because it means that the observations are not independent: an individual living in France, for example, is more likely to

have the same attitude towards inequality than another French person, because of the environment they live in (the culture). In other words, one's country is an important factor in their acceptance of income inequality. Thus, the effect of the countries is controlled in order to deal with the problem of the cases being dependent on each other, and the problem of the linearity between the log odds of the outcome variable and the continuous predictors.

Adding the country variables in the third model in order to solve the problem of the two first assumptions seems to lead to some problems with the third assumption. Indeed, the collinearity statistics show that the Gini coefficient's VIF is $1,862x10^{12}$, and its tolerance is $5,372x10^{-13}$. Since this high multicollinearity occurs only in the third model when the country variables were added, it is suspected that the Gini coefficient is highly correlated to the country variables. A bivariate analysis confirms this suspicion: although the correlation coefficients between the Gini coefficient and the country variables are smaller than 0,8 and -0,8 (which are the usual values that indicate a collinearity that are too high), some of the countries such as Bulgaria, Czech Republic, Lithuania, or Great Britain have the highest correlation coefficient with the Gini coefficient among the other variables (Table 6). Pearson's correlation coefficients between the Gini coefficient and the other variables can be found in Appendix B. Thus, the results concerning the Gini coefficient will be carefully analysed and interpreted.

Table 6: Pearson's correlation coefficients

	Gini coefficient
Austria	-,154*
Bulgaria	,569*
Croatia	-,059*
Czech Republic	-,386*
Denmark	-,171*
Finland	-,199*
France	-,055*
Germany	-,026*

Italy	,171*
Lithuania	,302*
Norway	-,237*
Slovenia	-,305*
Sweden	-,157*
Switzerland	,150*
Great Britain	,456*

Note: An asterisk means the correlation is significant at the 0,05 level.

5.3.4 Presentation and interpretation of the results

The results will be presented in a table, showing statistical information about the three models. To assess the models as a whole, the following indicators will be presented, analysed, and compared: the log-likelihood, Cox and Snell's R^2 Nagelkerke's R^2 , and the significance of the models (Field, 2009). These can be interpreted quite similarly to a normal R^2 of a linear regression, where a small value means that the model only explains a small part of the variation in the dependent variable, and that some other factors are omitted by the model (Field, 2009). An increase in these indicators means that the model is better at explaining what influences someone's income inequality acceptance (Field, 2009). Additionally, information on classification performance will be looked at too and compared between models: it deals with how correctly the model predicts the outcome variable to happen (how often is the model right or wrong in its prediction). An increase in the classification performance also means that the model as a whole is better at predicting if someone will accept or not accept income inequality.

Then, I will dive deeper into each predictor to see which one matters more than others and captures most of the model's significance. The control variables' statistics (sex, age, highest level of education, and country) will not be presented in the main results but in the appendix (Appendix D). The different predictors' estimates, standard error, odds ratio, significance and confidence interval will be presented in the table. In this thesis, only a few of these will be analysed and

compared in order to answer the research question. First, the significance, measured with the p-value, will be looked at. A predictor whose p-value is smaller than 0,05 is considered significant in the model. If a predictor is insignificant, the other statistics will not be analysed, since it has not a significant influence on someone's acceptance of income inequality. If a predictor is significant, I will move on to analysing the sign of the estimate. This is of importance because it shows the direction of the relationship between the predictor and income inequality acceptance: a negative sign means a negative relationship where the increase in the predictor leads to a lower likelihood of income inequality acceptance, if all the other variables remain constant (Field, 2009). A positive sign of the estimate suggests a positive relationship between the predictor and income inequality acceptance, where an increase in the first leads to a higher likelihood of accepting income inequality (if all the other variables remain constant). Finally, the odds ratio will be interpreted too, using likelihoods. If a continuous predictor has an odds ratio of 1,x, this means that someone with 1 point value higher on the scale predictor is x% *more* likely to accept income inequality than someone with 1 point value less on the scale predictor. Similarly, if a continuous predictor has an odds ratio of 0,x, it means that someone with 1 point value higher on the predictor is x% *less* likely to accept income inequality than someone with 1 point value less on the predictor. For categorical variables, if the odds ratio is of 1,x or 0,x, it means that it is x% *more* or *less* likely that a person in the particular group accepts income inequality, *compared* to the reference group (Field, 2009). Furthermore, after each predictor's analysis and interpretation, the hypotheses will be either confirmed or refuted. Last but not least, these results will be discussed in light of the theory, assessing the extent to which these results only represent what is happening in the data used in this thesis, or if they reflect what is happening in the real world.

5.4 Limitations

This section will cover the limitations that come from the cross-sectional nature of the data, the subjectivity of some measures used in the models, the loss of

information due to transforming the dependent variable into a binary variable, and the quantitative nature of the research.

First of all, limitations can arise due to the nature of the data. Since the data is cross-sectional, it only represents a phenomenon at a particular point in time. Indeed one cannot analyse the variation of income inequality preferences over time, but only in 2019. Additionally, this means that causality is difficult to establish; does one variable cause the other or are they simply correlated? It becomes difficult to assess which variable came first, and which one follows next (Sedgwick, 2014). Moreover, the participants surveyed at this certain point in time are perhaps not representative of a phenomenon one is trying to analyse, limiting the generalisability of the results (Sedgwick, 2014). Finally, some problems might arise when sending this survey to many different countries. Among others, the translation of the survey questions can result in the meaning and concepts being lost in translation (Behr & Scholz, 2011).

Additionally, this thesis is aware of the potential limitations that come with using measures that are subjective. This is the case for the socioeconomic status and for the social mobility variable. Indeed, there is a potential of self-reporting bias from the participants when asked to situate themselves on the socioeconomic scale from 1 to 10 (Gimpelson & Treisman, 2017), and the same could be argued for when they have to situate their family on the scale. Expectations of future mobility could also be very biassed. Indeed, as discussed before, there is a possibility that people over or underestimate their status in society when comparing themselves to others, because of the group they are comparing themselves to (Major, 1994), or because they make generalisations (Gimpelson & Treisman, 2017). However, the ontology of this thesis assumes that people, to a certain extent, are shaped by the structure around them and react to it in a similar way and can thus be compared in their subjectivity. Moreover, as suggested by Oesch and Vigna (2023), class hierarchy is still easily perceived by laypeople and they have way more knowledge of their social positions than researchers can conclude from objective income measures.

Moreover, the transformation of the dependent variable can lead to some information loss. Indeed, the original variable of the survey included five categories of answers. The variable was transformed into a binary one, with only two categories. However, this makes the interpretation of the results easier and

allows me to answer the research question better, because it allows me to clearly see who is more likely to accept income inequality, and who is not.

There are many other research designs with different ontologies and epistemologies that could investigate the relationship between the socioeconomic status and someone's acceptance of income inequality. For example, a qualitative study with interviews could allow us to understand the underlying mechanisms that explain the link between one's socioeconomic status and his or her likelihood to accept income inequality. In addition, this thesis does not inform on which income inequality people disapprove of. Indeed, some can think of the income inequality that occurs between the richest and the poorest, while others think of income inequality between gender, race, and professions. However, the present research design fits well with the research question, because the aim of this thesis is to test to what extent the socioeconomic status influences the likelihood to accept income inequality, rather than finding evidence to explain why it happens. Then, my study can later be seen as a solid basis for future qualitative research.

6 Results

6.1 Results of binary logistic regression

<u>Table 7</u>: Effect of predictors on Income inequality acceptance (Accepts income inequality =1, Does not accept income inequality = 0).

Model I includes the socioeconomic status with controls. Model II adds the other independent variables. Model III adds the country variables.

PREDICTORS	MODEL I				MODEL II				MODEL III			
	Estimate	Odds ratio	95% CI		Estimate	Odds ratio	95% CI		Estimate	Odds ratio	95% CI	
			Lower	Upper			Lower	Upper			Lower	Upper
Constant	-2,268*	,103			-,575*	,562			-4,285*			
Socioeconomic status	,286*	1,331	1,295	1,368	,282*	1,325	1,286	1,365	,266*	1,305	1,266	1,346
Perception of procedural justice					,014*	1,014	1,012	1,017	,004*	,1004	1,002	1,007
Past mobility (ref:upward)												
Downward past mobility					,078	1,081	,958	1,219	,058	1,006	,937	1,199

Stable past mobility			,022	1,022	,931	1,121	,018	1,019	,926	1,121
Future mobility (ref: upward)										
Downward future mobility			-,449*	,638	,562	,725	-,485*	,616	,540	,702
Stable future mobility			-,224*	,800	,721	,886	-,236*	,789	,710	,877
Gini coefficient			-8,313*	,000	,000	,001	6,084*	438,796	32,800	5870,201

Model fit			
Log-likelihood	15321,220	14857,438	14273,775
Cox & Snell	,054	,079	,110
Nagelkerke	,089	,130	,180
Overall correct percentage predicted	82,2	82,3	82,6
N	17 382	17 382	17 382

Note: An asterisk means the value is significant (p-value<0.05). Note: Chi square of model I = 969,591, p-value<0.01, df = 9; Hosmer and Lemeshow test =6,694, p-value >0.05, df = 8. Chi square of model II= 1433,373, p-value<0.01, df = 9; Hosmer and Lemeshow test =14,386, p-value >0.05, df = 8.Chi square of model III= 2017,036, p-value<0.01, df = 28; Hosmer and Lemeshow test =7,882, p-value >0.05, df = 8.
Note: Statistics of the null model can be found in appendix C. Statistics of the control variables such as age, sex, highest level of education, and countries can be found in Appendix D.

6.2 Interpretation of the results

The following paragraphs will interpret the results of the binary logistic regression. First, as the perception of procedural justice, past and future mobility, the level of income inequality and the country variables are being added, the models predict better the likelihood of those who accept income inequality and those who do not. However, the predictive power of the final model is quite small, suggesting that some explaining factors were omitted in this thesis. Then, the analysis dives deeper into each predictor's statistics. People with a lower socioeconomic status are less likely to accept income inequality than people with a high one, even when controlling for other factors. Those who perceive a high level of procedural justice are indeed more likely to accept income inequality, although this relationship is not very strong. Experiences of past mobility do not affect people's likelihood to accept income inequality at all, whereas expectations of upward mobility do increase people's likelihood to accept income inequality. Finally, the level of income inequality has an ambivalent influence on income inequality acceptance.

6.2.1 Results of the overall models

This section interprets the overall models' results. The first model, which has only the socioeconomic status and the control variables (age, gender, and highest level of education) is significant. The second model, which adds the perception of procedural justice, past and future mobility, and the level of income inequality, is significant too. The last model, which adds the country variables, is also significant. The last model has the most explanatory power, although quite low, indicating that some important factors that explain people's acceptance of income inequality have been omitted.

Each model is significant. Although the log-likelihood decreases from model I, to model II, to model III, suggesting that models II and III are becoming worse at explaining the variance of the outcome variable, Cox & Snell's and

Nagelkerke's R^2 suggest otherwise. Indeed, both increase: for example, in the third and final model for example, Nagelkerke's R^2 is 0,180, which means that the socioeconomic status, the perception of procedural justice, past and future mobility, and the level of income inequality, together explain 18% of the variance of income inequality acceptance. Moreover, the classification performance also increases between the models, which is a good sign. However, its increase is quite small, moving from 82,2 to 82,3, to 82,4. The last model correctly predicts 82,4 of the cases.

What these numbers mean is that whether someone accepts or not income inequality tends to be influenced by their socioeconomic status, whether they perceive meritocracy in society, their experiences and expectations of future mobility, by the levels of inequality, and by the country they live in. However, 18% of explained variance also indicates that there is an important amount of variance in the outcome variable that is not explained. This means that there are other factors that explain why someone accepts income inequality or not, which are not taken into account in these models. Thus, the final model as a whole is significant and shows that together the variables do predict someone from accepting or not accepting income inequality, but there are other important factors that this thesis does not account for.

6.2.2 Test of the main hypothesis

This section interprets the results of socioeconomic status in the three models. H1 expected those with a higher socioeconomic status to have a higher likelihood to accept income inequality. When controlling for various factors, those with a higher socioeconomic status are indeed more likely to accept income inequality, compared to those with a lower socioeconomic status.

In the first model, where the only predictors are socioeconomic status and the control variables (age, education, and highest level of education), socioeconomic status is significant, with a p-value lower than 0,05. Moreover, the estimate is 0,286, which indicates a positive relationship between socioeconomic status and income inequality acceptance: an increase in socioeconomic status leads to an

increased likelihood of accepting income inequality. Additionally, the odds ratio is 1,331, which means that someone with 1 point value higher on the socioeconomic status scale (which goes from 1 to 10), is 33% more likely to accept income inequality than someone with 1 point value less on that predictor. In the second model, controlling for procedural justice, past and future mobility and Gini coefficient, the p-value of the socioeconomic status remains lower than 0,05. This means that the socioeconomic status still has a significant influence on people's acceptance of income inequality, even when adding other predictors. The direction of the relationship between the socioeconomic status and income inequality acceptance remains the same, that is, a positive relationship. Finally, the odds ratio decreased a little bit, from 1,331 in Model I to 1,325 in Model II. In other words, someone with 1 point value higher on the socioeconomic status scale (which goes from 1 to 10) is now 32% more likely to accept income inequality than someone with 1 point value less on that predictor. In the final model, when adding the last control of countries, the socioeconomic status predictor remains significant, with a p-value lower than 0,05. The nature of the relationship between socioeconomic status and income inequality acceptance remains positive. Finally, the likelihood of accepting income inequality decreased a little, from 32% to 30%: someone with 1 point value higher on the socioeconomic status scale (which goes from 1 to 10) is now 30% more likely to accept income inequality than someone with 1 point value less on that predictor.

Thus, as predictors and controls are added to the model, the likelihood that someone with a high socioeconomic status accepts income inequality decreases a bit, as shown by the odds ratio and likelihoods. Especially, the likelihood that someone accepts income inequality because of their socioeconomic status decreases the most when the country controls are added to the model. In other words, it appears that some of the explaining power that the socioeconomic status seemed to have in Model I and II is actually captured by the country control variable in Model III. Thus, there are significant differences between the countries that impact people's acceptance of income inequality. Nonetheless, a structural position theory still explains the variation of income inequality acceptance when controlling for other potentially influential factors: the socioeconomic status' estimate and the odds ratio only change a little bit and remain significant. Thus, these results confirm the main hypothesis, which holds that people with a higher

socioeconomic status accept more income inequality because they are less affected by it, whereas people with lower social status are less likely to accept it because they are affected by it (Curtis & Andersen, 2015). However, it is important to consider the generalizability of these findings and the extent to which they prove the theory. The structural position theory is proven to be true, when controlling for other influencing factors. But one needs to remember that this theory has been operationalised with the subjective socioeconomic status as the independent variable, and not the objective socioeconomic status, such as the income level or the occupation. Indeed, it is a possibility that people do not place themselves correctly on the socioeconomic scale (Gimpelson & Treisman, 2017). As Appendix A shows, most people seem to place themselves on a scale from 1 to 10 around the middle. Thus, the theory is confirmed for the subjective socioeconomic status, but results could differ if the objective status was used.

6.2.3 Test of the second hypothesis

This section analyses the results in link to H2. H2 expected that those who perceive a higher procedural justice are more likely to accept income inequality. When controlling for other factors, a high perception of procedural justice does indeed lead to an increased likelihood to accept income inequality, although very small.

In both the second and third model - when controlling for age, gender, the highest level of education, socioeconomic status, past and future mobility, Gini coefficient, and country controls - the perception of procedural justice is significant, with a p-value lower than 0,05. The estimate decreases very little, from 0,014 in model II to 0,004 in model III. As a result, the relationship between the perception of procedural justice and the acceptance of income inequality is positive, but not very strong. As people perceive more procedural justice, they are more likely to accept income inequality. More precisely, in model II, the odds ratio is 1,014, indicating that someone with 1 point higher on the procedural justice scale (which goes from 0 to 100) is 1,4% more likely to accept income inequality, than someone with 1 point lower on the perception of procedural justice scale. In model III, this likelihood is less than 1%. Consequently, in the last

model, the relationship between the perception of procedural justice and the acceptance of inequality remains significant and positive, but it is very small.

Thus, H2 is confirmed: a high perception of procedural justice leads to an increased likelihood of income inequality acceptance. This confirms what the literature has found: beliefs about meritocracy and fairness significantly influence someone's acceptance of income inequality, because they allow people to make sense of unequal outcomes (García-Sánchez et al., 2018). In other words, the perception of procedural justice is important for people when they accept or not income inequality. Whether someone is perceived to have worked hard, and had the skills and experience to get ahead in life influences people's acceptance of income inequality. Similarly, whether someone managed to get ahead in life through his or her family's connections, wealth, and bribes influences people's income inequality acceptance. Notwithstanding, the perception of procedural justice is not the most important factor for someone to accept income inequality.

It is important to consider the generalisability of these results: the hypothesis has been confirmed by these results, but these results come from the particular data used in this thesis. To what extent do these results apply to what is happening in the real world? There are several aspects that need to be taken into account for this discussion. First, the perception of procedural justice's missing answers represented 17% of the study population, which is quite substantial. Additionally, procedural justice in this thesis has been defined as having to deal with fair and meritocratic processes when getting ahead in life. Meritocracy and fairness have been defined as being based on someone's effort, skills and experience. This already shows a potential problem: indeed, someone's efforts and skills might be determined by their family and the place they grew up in, making it not meritocratic and fair anymore (Castillo et al., 2021). Moreover, the perception of procedural justice in this thesis is not measured by what is defined to be procedural justice, but by what is its opposite: parent's wealth and education, wealth, and bribes. But what guarantees us that the opposite of these attributes is what people understand as procedural justice? "Meritocratic and non-meritocratic dimensions are not necessarily two poles of the same continuum" (Castillo et. al, 2021, p. 2), and it is important to acknowledge it. Finally, as mentioned in the literature review, perceptions and beliefs are very close to each other (3.2 and 3.3.1). While many authors understand the survey question related to the

operationalisation of the variable "perception of procedural justice" as reflecting people's beliefs in meritocracy, this thesis considered it to reflect people's perceptions of meritocracy. Indeed, I argue that, if a participant answers that using family connections is important in getting ahead in life, it does not mean that he or she is of the opinion that it is just or fair. Similarly, if someone answers that hard work is important in getting ahead in life, it does not mean that he or she thinks it is just. It just signals how people perceive society to be working, i.e. is society functioning on meritocratic principles? However, as Janmaat showed, beliefs can impact perceptions: perhaps someone answers that hard work is important in getting ahead in life, because of his or her conviction that society works on a meritocracy basis. Ultimately, this is a matter of interpretation of the survey question, and if the literature is struggling to find a common agreement, it means that participants might also understand the survey question differently.

6.2.4 Test of the third hypothesis

This section analyses and interprets the results of past and future mobility on income inequality acceptance. The third hypothesis expects that experienced past mobility influences income inequality acceptance, and that expecting upward mobility leads to an increased likelihood of accepting income inequality. When controlling for other factors, downward, stable and upward past mobility do not have a significant influence on people's income inequality acceptance. Those who expect upward mobility however, are more likely to accept income inequality, and even more so when taking into account the heterogeneity of the countries. Thus, H3 is partially confirmed.

Let us first look at past mobility. Controlling for other factors, in both Model II and Model III, downward, stable and past mobility do not significantly predict if someone will accept income inequality or not (p-value>0.05). Since past mobility is not significant in any way, this paragraph will not delve into its estimate and odds ratios. In comparison with past mobility, future mobility predicts in a significant way if people accept or do not accept income inequality in both models. In models II and III, the estimate of downward future mobility is -0,449 and -0,485, indicating a negative relationship: as we move from upward

future mobility to downward future mobility, people are less likely to accept income inequality. More precisely, in Model II, if every other variable is unchanged, the odds ratio of downward future mobility is 0,638. Thus, it is 36% less likely that a person who expects downward mobility in the future will accept income inequality, compared to someone who expects upward future mobility. In Model III, this likelihood slightly increased to approximately 38%. In models II and III, stable mobility has some significant differences in its impact on people's acceptance of income compared to upward future mobility. Indeed, stable future mobility's estimates are significant in both models, with a p-value lower than 0,05. Moreover, its estimate is -0,224 in Model II, and -0,236 in Model III. The signs of the estimates indicate that there is a negative relationship: as we move from upward future mobility to stable future mobility, it is less likely for someone to accept income inequality. Additionally, as shown by the odds ratio of stable future mobility in Model II (0,800), it is 20% less likely that a person who expects stable mobility in the future will accept income inequality, compared to someone who expects upward future mobility. When adding the country variable in Model III, this likelihood increases slightly to 21%.

Thus, past mobility experiences do not influence whether people accept or do not accept income inequality. Even controlling for countries in the last model (Model III) does not change past mobility's significance. Thus, the third hypothesis which states that past mobility influences the likelihood to accept income inequality is partially refuted. On the other hand, if someone expects upward mobility, he or she is more likely to accept income inequality. Interestingly, this likelihood increases when the effect of countries is accounted for. This could be explained this way: in Model II, there were perhaps some omitted variables that were influencing the relationship between future mobility and income inequality acceptance. Accounting for differences between countries, such as political, economic and social differences (Bucca, 2016), allowed to control for these omitted variables, and to reach a more precise estimation of the effect of future upward mobility on income inequality acceptance. Thus, people expecting upward mobility are more likely to accept income inequality. In addition, this likelihood is increased when the model controls for countries. Consequently, H3 is partially confirmed.

The results concerning past mobility are surprising, and not in line with Bucca's findings (2016). He found that people who experienced upward mobility are more likely to attribute the success or failure of an individual to their efforts, and income inequality would be impacted by that. However, his study was conducted in Latin America, and was qualitative, allowing him to go deeper into people's thoughts and reasoning of income inequality. This study on the other hand applies a quantitative lens and methods to European countries. Moreover, the past mobility measure is once again a subjective measure, meaning that an objective measure of past mobility could have shown different results. Regarding the results of the future mobility predictors, they are in line with what the literature has shown (Larsen, 2016). Indeed, the 'tunnel effect' described by Larsen is confirmed by our results (Hirshman & Rothschild, 1973, as cited in Larsen, 2016). If people believe that society is on the move forward, and that they will themselves rise soon too, that is, experience upward mobility, they are more likely to accept income inequality. Larsen's and this thesis' findings are interesting in themselves; they show that people tolerate seeing income inequality and being in a disadvantaged position as long as they think it is momentary. In other words, income inequality is not a problem because of it being an inequality, but is a problem when people feel that they themselves will not get out of their disadvantaged, unequal position. However, since future mobility is once again a subjective measure rather than objective, the generalisation of my findings needs to be nuanced. Thus these results show that the theory is proven to be correct when using a subjective measure of future mobility.

6.2.5 Test of the fourth hypothesis

This section analyses the relationship between the level of income inequality in society and people's acceptance of income inequality. The fourth hypothesis expected that the level of income inequality in society influenced people's acceptance of income inequality. There are important differences in the results of Model II and Model III, probably due to the inclusion of country variables, and it either makes the Gini coefficient's statistics more accurate, or more inflated. For this reason, the hypothesis cannot be refuted or confirmed.

In model II, controlling for other factors, the level of income inequality, measured with the Gini coefficient, is a significant predictor, with a p-value lower than 0,05. Moreover, its estimate is -8,313, indicating a negative relationship with income inequality acceptance. In other words, as income inequality increases, people are less likely to accept income inequality. However, the odds ratio is 0 which signals that there is no association between the Gini coefficient and the likelihood of accepting income inequality. Consequently, the odds of accepting income inequality are the same regardless of the value of the Gini coefficient. Furthermore, in model III, where the effect of countries is accounted for, these results change quite dramatically. Indeed, the Gini coefficient is still significant, with a p-value lower than 0,05. What changes however, is the direction of the relationship: the estimate changed to 6,084, indicating a positive relationship between the level of inequality in society and people's acceptance of income inequality. As the level of income inequality in society increases, it is more likely that people accept income inequality. The odds ratio is 438,796 which suggests that for a one-unit increase in the level of income inequality, the odds of accepting income inequality is 438,796 times higher.

These results are worth discussing. Two things are of interest in these models. First of all, the fact that the direction of the relationship between levels of inequality and income inequality acceptance changed from negative to positive. Second, the fact that the odds ratio changes from a null value to such an inflated value is of importance too. One way to interpret these shifts in the results could be that adding the country variables allowed to capture some unexplained variance of the outcome variable, and to allow for more precise estimates of the Gini coefficient. Indeed, as Bucca showed (2016), macro factors have a considerable impact on inequality preferences. The economic situation, but also the institutional and political landscape are all captured by the country variable, leading perhaps to more precise and accurate statistics for the Gini coefficient. Moreover, Mijs also found that high levels of inequality in society, measured by the Gini coefficient, led to a higher acceptance of income inequality in his study (2019).

However, the way the statistics shift from the second model to the third can make us suspicious as to whether one should trust these results. Indeed, these dramatic shifts occur when the third model accounts for country differences

(Model III). One reason could be that the Gini coefficient is too correlated with the country variables, as discussed in 5.3.3 "Assumptions of a binary logistic regression". Indeed, the country variables are both related to the Gini variable and the outcome variable. Vice-versa, the Gini coefficient may be highly correlated with the country-level variables, such as cultural, economic, or political factors, that are captured by the country dummies, and to the outcome variable. As a result, the true association between the Gini coefficient and income inequality acceptance can be under or overestimated, as the effect of the Gini coefficient may be confounded or masked by the effects of the country-level variables. Finally, a general comment can be made on the level of inequality in society measured by the Gini coefficient. The Gini coefficient gives us information on how much the distribution of income in a society deviates from equality. If we were to trust the Gini coefficient's statistics of the third model, it would be concluded that the level of income inequality in society does indeed increase the likelihood to accept income inequality. However, the Gini coefficient would not inform us of where the inequality of income is happening; it could be between the richest and the poorest, but it could also be between the middle-class and the poorest (Colagrossi et. al, 2020). In other words, the Gini coefficient would not inform us of the precise location of income inequality that influences someone's likelihood of accepting or not accepting income inequality.

Thus, based on the sensitive Gini coefficient variable and the inflated results, it is decided in this thesis that these results are not reliable and that the hypothesis cannot be confirmed or refuted.

7 Conclusion

This paper aimed to study people's acceptance of income inequality using the ISSP's inequality module of 2019. Much research has been done surrounding people's perceptions, beliefs and judgements of income inequality with various conclusions. In general, individual-level factors, contextual-level factors but also beliefs, narratives and experiences all have an impact on people's acceptance of income inequality. This thesis took an individual-level factor approach to individuals' income inequality acceptance. More precisely, it took a structural position approach, arguing that a high socioeconomic status leads to an increased likelihood to accept income inequality. In this case, income inequality acceptance could have two outcomes: either someone accepts income inequality, or he or she does not. Although this thesis focused on individual-level factors to explain someone's income inequality acceptance, it included other influential factors too: the perception of procedural justice, experiences and expectations of social mobility, and the level of income inequality in society.

The research question asked to what extent the socioeconomic status influences someone's acceptance of income inequality. More precisely, the thesis expected that people with a high socioeconomic status would be more likely to accept income inequality, because they are less impacted by this income inequality. Meanwhile, those with a low socioeconomic status are more impacted by income inequality, so they are less likely to accept income inequality. The results showed that the socioeconomic status does have an influence on the likelihood to accept income inequality. Indeed, those with a high economic status are indeed more likely to accept income inequality, and this fact remains true when controlling for other factors.

Additionally, influential factors were also analysed in link to people's income inequality acceptance. The results showed that the perception of procedural justice, experiences of social mobility, and expectations of social mobility, all played a significant role in people's likelihood to accept income inequality,

although to different degrees. The most important predictor out of these factors was expectations of future mobility. Indeed, the results showed that people expecting upward mobility in the future, were more likely to accept income inequality than people who were expecting their socioeconomic status to remain the same, or to become lower. In other words, the phenomenon of the "tunnel effect" is reflected in the results, where the ones who think that they will experience future upward mobility are less likely to be bothered by income inequality, because they believe their turn to rise socially and economically in society will come soon too. Experiences of past mobility, on the other hand, did not influence whether someone accepts or not income inequality. Finally, if someone perceives other people as getting ahead in life through fair processes has consequences for his or her acceptance of income inequality, although very small. Regarding the level of inequality in society, this research did not manage to get to concluding findings between the level of income inequality and the likelihood to accept income inequality, because of a high correlation between the level of income inequality and the country variables.

This thesis' findings have societal and political importance and contribute to the field of income inequality study. Indeed, this study showed that the majority of people in European societies are concerned with income inequality, and that they disapprove of it. More particularly, this study showed that the socioeconomic status still plays a major role in people's acceptance of income inequality. It also showed that what bothers people about income inequality is whether it is the result of a fair process, and whether those in disadvantaged positions have the opportunity to improve their positions and rise socially and economically. Thus, people's reality and self-interest are still very much based on their socioeconomic status because of the way society is structured. As a result, the ones that suffer most from income inequality are the ones at the bottom of the socioeconomic ladder. Although this thesis studies people's perceptions of income inequality, and that perceptions can be flawed depending on many factors, people's perceptions or misperceptions of income inequality are still of importance. Indeed, they are ultimately what drives people's thoughts and actions. This is crucial, especially in an era of widening inequality; this discontent might only grow larger, and be voiced, resulting in protests and instability (Massing, 2020).

Furthermore, this thesis contributes to the income inequality field of research. Indeed, it used the most recent ISSP's Social Inequality module to study the link between individual-level factors and income inequality acceptance. It also included widely discussed and complex concepts such as meritocracy and procedural justice, as well as social mobility and country-level factors. Using similar methods (i.e., the operationalisation of the variables), this thesis aimed to have comparable and replicable results. Further research could be based on this study. Indeed, researchers could focus on the mechanisms that hide behind the socioeconomic status and the likelihood to accept income inequality, and the different aspects that this relationship entails. Additionally, studying which income inequality exactly is problematic for people would be very valuable. Indeed, income inequality can be understood as the income inequality between the richest and the poorest, but also between genders or occupations. Since there are different dimensions to income inequality (Carter & Howard, n.d), different societal implications ensue. Thus, studying the acceptance of income inequality together with knowing which income inequality people are referring to, would benefit this field of research greatly because it would bring to light the underlying processes that the socioeconomic status, but also meritocratic perceptions and social mobility seem to be the root of. Finally, this thesis showed the potential problems of one of the ISSP survey questions which is widely used in research on meritocracy in the literature. The question about how important family connections or one's hard work is in getting ahead can be interpreted differently; while some think the answers to this question reflect people's beliefs in meritocracy, others think it reflects people's perception of meritocracy in society. In other words, future research must provide clear and distinct definitions of the concepts they are working with (beliefs, perceptions), and the ISSP must formulate the survey question in a clearer way too.

In conclusion, this study showed that the socioeconomic status is influential in people's acceptance of income inequality, and the implications for understanding the social and political preferences toward inequality. While acknowledging the limitations of this study, I also recommend future research to deepen our understanding of the underlying mechanisms and dimensions of income inequality that people find most concerning. As income inequality, among other types of inequalities, continues to rise, it is important to keep on studying the factors that

make people think how they think, in order to hopefully develop policies that promote greater social and economic equity.

8. Appendix

Appendix A: Distribution of answers to "In our society there are groups which tend to be towards the top and groups which tend to be towards the bottom. Below is a scale that runs from top to bottom (1-10). Where would you put yourself now on this scale?
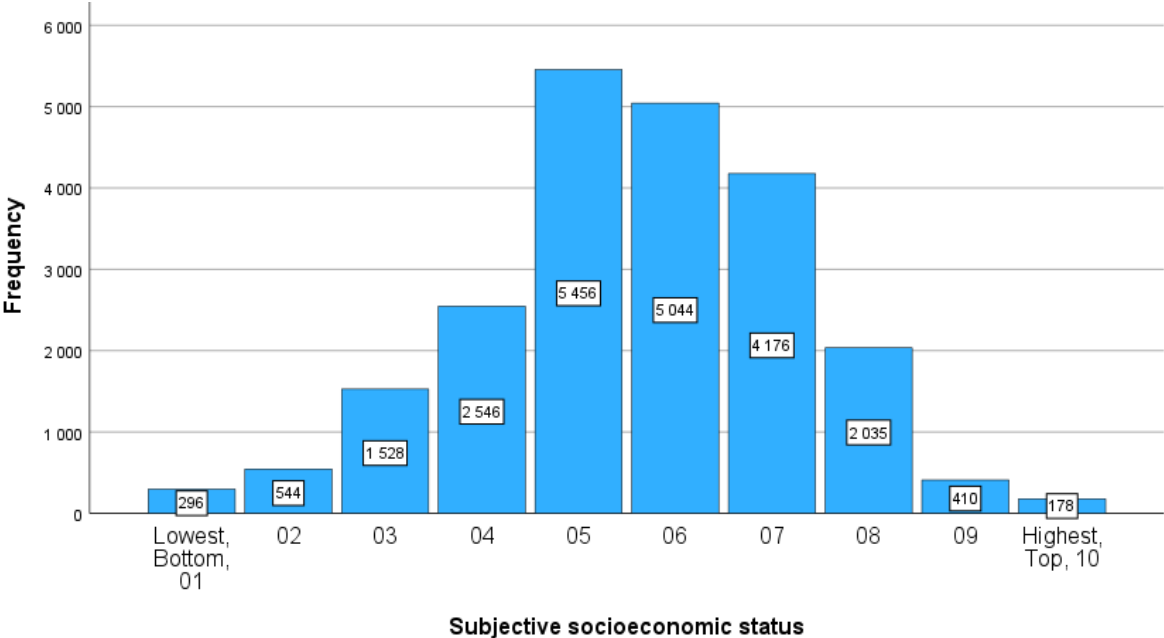
Appendix B: Pearson's correlation between the level of income inequality and other variables

	Level of income inequality
Age	,008
Sex	,002
Socioeconomic status	-,130**
Perception of procedural justice	-,063
Highest level of education	
No formal education	-,012

Primary school	,026**
Lower secondary school	-,046**
Upper secondary school	,010
Post secondary, non-tertiary	,101*
Lower level tertiary	-,079**
Upper level tertiary	,016*
Past mobility:	
Downwards	,065**
Stable	,055**
Upward	-,109**
Future:	
downward	,016*
stable	-,038**
Upward	,026*

Note: An asterisk means the correlation is significant at the 0,05 level.

Appendix C: Statistics of the null model

	Null model	df	Odds ratio
Constant	-1,529*	1	,217
Overall correct percentage predicted	82,2		

Note: An asterisk means the value is significant (p-value<0.05).

Appendix D: Statistics of the control variables

PREDICTORS	MODEL I				MODEL II				MODEL III			
	Estimate	Odds ratio	95% CI		Estimate	Odds ratio	95% CI		Estimate	Odds ratio	95% CI	
			Lower	Upper			Lower	Upper			Lower	Upper
Gender (ref: male)	-,465*	,628	,579	,681	-,510*	,600	,553	,652	-,522*	,593	,545	,645
Age	-,010*	,991	,988	,993	-,007*	,993	,990	,996	-,007*	,993	,9909	,996
Highest level of education												
No formal education	,002	1,002	,481	2,088	,010	1,010	,480	2,127	,102	1,107	,515	2,382
Primary school	-,716*	,489	,324	,737	-,665*	,514	,339	,780	-,552*	,576	,375	,883
Lower secondary school	-,385*	,681	,600	,722	-,449*	,638	,561	,726	-,427*	,653	,569	,748
Upper secondary school	-,348*	,706	,626	,798	-351*	,704	,621	,797	-,266*	,767	,671	,875
Post secondary, non-tertiary	-,529*	,589	,513	,677	-,479*	,619	,537	,714	-,393*	,675	,579	,787
Lower level tertiary	,002	1,002	,888	1,131	-,097	,907	,802	1,027	-,204*	,815	,716	,928

Bulgaria		-2,113*	,121	,081	,181
Croatia		-,640*	,527	,393	,707
Czech Republic		1,025*	2,786	2,127	3,649
Denmark		1,429*	4,173	3,212	5,423
Finland		,687	1,988	1,540	2,655
France		,113	1,120	,892	1,406
Germany		,-767*	,465	,354	,610
Italy		-1,091*	,336	,252	,448
Lithuania		-,714*	,490	,375	,639
Norway		1,131*	3,098	2,383	4,027
Slovenia		-,084	,919	,660	1,280
Sweden		,907*	2,477	1,970	3,115
Switzerland		-,109	,897	,755	1,065

Note: An asterisk means the value is significant (p-value<0.05).

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