What we want and what we see: Preferences, perceptions and judgments about inequality and meritocracy

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CHAPTER ONE
INTRODUCTION

1.1 INTRODUCTION

Thomas Piketty’s now-famous claim that $r$ (the rate on the return of capital) exceeds $g$ (the rate of economic growth) to shape rising inequalities lies decisively outside of the analytical scope of this dissertation, but his worldwide best-seller *Capital in the 21st century* (Piketty, 2013) provides an interesting starting point for the present inquiry. The fact that so many people decided to buy (and in an unknown number of cases actually read) a thick-as-a-brick scientific publication by a French economist showcases the central position of inequality in modern public debate. It also highlights the importance of scholarly scientific knowledge in shaping popular understanding of how inequalities come to exist, but also how much and in what ways people think about such inequalities.

Based on the conviction that it is important to carefully assess the social legitimacy of existing inequalities, this dissertation contributes to our understanding of how people think about inequality, while paying specific attention to the concept of meritocracy. For the purposes of this study, meritocracy is understood as the ideal that people should be rewarded on the basis of their merits.

While there is an established sociological literature on the question to what extent modern societies actually function as a meritocracy (e.g. Dörfler & van de Werfhorst, 2009; Goldthorpe, 1996; Jackson, 2001; Kingston, 2006), our understanding of how people think about the meritocratic functioning of society is severely underdeveloped. This lack of scientific knowledge on how people think about meritocracy in their society is especially problematic given that the ideal of meritocracy is often put forward as a normative legitimation of inequalities. This dissertation contributes to our understanding of this important issue by addressing the question whether and to what extent the
ideal of meritocracy is reflected in how people think about inequalities. For example: do people believe that some particular characteristics, what may be seen as meritocratic characteristics as distinct from other characteristics, are a fair basis for economic rewards in their society? And do people think that these meritocratic characteristics are actually rewarded in their society? These and many other research questions are addressed in four empirical chapters on preferences, perceptions and judgments about inequality and meritocracy.

This of course raises the question how this dissertation distinguishes meritocratic from non-meritocratic characteristics. With regards to this issue, this dissertation chooses for a mixture between an inductive and deductive approach. The selection of (non-) meritocratic characteristics that were included in the survey data, which were gathered particularly for this dissertation, was informed by the aforementioned sociological literature on the actual meritocratic functioning of modern societies. While there is no clear consensus in this literature on what merits are and to what extent they can be measured, we can distinguish characteristics that are (partially or mostly) in accordance with the ideal of meritocracy from characteristics that are (partially or mostly) in contrast with this ideal. Chapter two elaborates on the selection of these characteristics. In line with the aim of contributing to our understanding of how people think about the meritocratic functioning of their society this dissertation treats the extent to which people believe that the included (non-) meritocratic characteristics should actually be rewarded as a fundamentally empirical question.

Throughout this dissertation, different combinations of preferences, perceptions and judgments about inequality function at times as objects of inquiry (i.e. dependent-variables), and at other times they serve as key explanatory factors of interest (i.e. independent variables). In studying preferences, perceptions and judgments related to inequalities and meritocracy, this dissertation often adheres, both explicitly and implicitly, to the idea that the way people think about inequality can be expected to have important social and political consequences. Such a notion, of course, is in line with the well-known Thomas-theorem, that “If men define situations as real, they are real in their consequences” (Thomas and Thomas, 1928). This dissertation looks at both aspects of aforementioned quote: it examines (1) how people think about inequality and meritocracy and (2) examines how not only actual inequalities, but also perceived inequalities are related to relevant societal outcomes.

The core rationale of this dissertation and the binding conviction between the four empirical studies included in it is that research on public opinion about inequalities needs to actively distinguish between preferences that people have about the distribution of inequalities, the perceptions that people have about the actual distribution of inequalities and finally the judgments that results from the comparison between the preferred and the perceived distribution of inequalities. In the existing literature, this distinction is usually ignored. Preferences for or perceptions of the distribution of
inequalities are used as proxies for normative judgments about the distribution of inequalities. This dissertation argues that preferences for and perceptions about the distribution of inequality are theoretically different and also shows empirically that people actively distinguish between these two views.

The overarching aim of this dissertation is thus to contribute to our understanding of how people prefer, perceive and judge inequality and meritocracy, and how these preferences, perceptions and judgments relate to how people think about society as whole.

1.2 THE TWO PARTS OF THIS DISSERTATION

The dissertation consists of two parts. Both parts of this dissertation concern the study of attitudes related to inequality and meritocracy. In different ways, the respective parts contribute to our understanding of public opinion about inequality. Part I (chapters two and three) explores different conceptualizations about attitudes towards inequality. It culminates in the development and operationalization of a new, original conceptualization of attitudes about inequality, one focused on the comparison between (non-) meritocratic preferences and perceptions. This conceptualization is examined empirically on the basis of newly collected Dutch survey data. The new conceptualization provides an important improvement over existing conceptualizations, because it allows for an unprecedented insight into how people think about inequalities. To our best knowledge, no previous study was able to examine how people of different social backgrounds think about issues like how meritocratic they would like their society to be, how meritocratic they think their society actually is, and how these preferences and perceptions compare. A comprehensive assessment of these (non-) meritocratic preferences, perceptions and judgments, accompanied by an examination of their possible origins and consequences, therefore provides an important contribution to our understanding of how people think about meritocracy.

Part II (chapters four and five) of the dissertation is concerned with perceptions of inequality and meritocracy from a comparative perspective. It consists of two cross-nationally comparative studies, one on the relationship between actual inequality and perceptions of corruption (which is argued to be a clear violation of meritocracy) and another on the relationship between perceived inequality and generalized trust. The second part of the dissertation contributes to the overarching aim of contributing to our understanding of how people think about inequality and meritocracy, by examining a broader range of (Western) countries, which allows for the study of country-level contextual influences. Furthermore, these studies contribute empirically and theoretically to existing debates in the literature about the possible societal consequences of inequality, through a continued focus on how people prefer, perceive and judge about inequality and meritocracy.
1.3 THEORETICAL BACKGROUND

In examining how people prefer, perceive and judge about inequality and meritocracy and how these views are related to other attitudes about society, such as generalized trust or corruption perceptions, this dissertation engages with and connects two literatures in the general social sciences: (1) the literature on attitudes about inequality and meritocracy and (2) the literature on if and how (perceived and actual) inequality are related to societally relevant outcomes. Furthermore, particularly in conceptualizing how people think about meritocracy, this dissertation engages both with the normative (philosophical) literature on the desirability of meritocracy and the empirical (sociological) literature on the degree to which modern western societies function as a meritocracy.

1.3.1 ATTITUDES ABOUT INEQUALITY

While the level of engagement with the literature on attitudes about inequality varies per chapter, a major contribution from the first two chapters of this dissertation involves conceptualization of attitudes about inequality that can be extrapolated and extended well beyond the immediate focus of the chapters. This conceptualization represents, the dissertation shall argue, an improved conceptualization of inequality attitudes in existing scholarship. Three existing conceptualizations of attitudes about inequality are discerned in such scholarship: general, comparative and (partially) evaluative conceptualizations. General conceptualizations concern attitudes about inequality being problematic or individual demand for redistribution (e.g. Finseraas, 2009; Schmidt-Catran, 2014). Comparative conceptualizations follow the example of Jasso (1978; Jasso and Wegener 1997) and examine the discrepancies between perceived pay and deserved pay for a number of occupations. Partially evaluative conceptualizations, finally, examine either what traits people would like to see rewarded or what traits people currently believe to be rewarded (e.g. Fong, 2001; Linos & West, 2003; Isaksson & Lindskog, 2009).

This dissertation argues that while general and comparative conceptualizations assess the extent to which inequality is seen as problematic, they do not assess the underlying moral judgment. Partially evaluative conceptualizations, on the other hand, assess the underlying moral judgment toward inequality, but do not clearly assess the extent to which inequality is seen as problematic. It is argued that both research that sees attitudes about inequality as a dependent variable of interest, as well as research that sees it as an independent variable, would benefit from a conceptualization that considers both the extent to which inequality is seen as problematic as well as the underlying moral judgment. Therefore, a new conceptualization of attitudes about inequalities is developed, one that gauges how people would like inequalities to be distributed compared to how people think inequalities are actually distributed.
1.3.2. SOCIETAL IMPACTS OF INEQUALITY

The literature on the possible negative societal consequences of (both actual and perceived) inequality is also addressed throughout the dissertation, but most prominently in Part II consisting of two cross-national studies. High levels of inequality have been linked to a wide range of negative societal outcomes (e.g. Pickett & Wilkinson, 2009), but this argument has also received substantial criticism concerning outcomes, concerning health (Beckfield, 2004; Lynch et al. 2004), happiness and crime (Salverda et al. 2014). This dissertation primarily engages with the literature that argues that inequality affects attitudes about society. As such, the dissertation contributes to the respective literatures linking inequality to corruption, as well as the literature linking inequality to decreased general trust.

Apart from being an important object of study in their own right, corruption perceptions are argued to be of specific interest because they indicate are clear violations of the meritocratic ideal. The possible association between inequality and corruption perceptions that is examined in the second part of the dissertation could thus have important consequences for the social legitimacy of the meritocratic defense of inequalities. In studying this association, a contribution is made to the existing literature because insights from the literature that links inequality to actual corruption (e.g. Glaeser et al, 2003; Uslaner, 2008) are supplemented with the argument that inequality might affect perceptions of corruption, even if no changes in actual levels of corruption occur. This theoretical framework is further developed in chapter four.

Compared to corruption perceptions, which directly reflect a violation of the meritocratic ideal, general trust captures a more general outlook on life. With regards to generalized trust, the dissertation contributes to the existing theoretical literature with respect to existing studies that link high levels of actual inequality to low trust (e.g. Rothstein and Uslaner 2005; Putnam 2007, Wilkinson and Pickett, 2009). Such work assumes, either implicitly or explicitly, that changes in the level of perceived inequality are related to low trust, and this dissertation examines the extent to which this assumption is well-founded in actual citizen attitudes. A theoretical framework for this relationship is developed further in the chapter five.
1.4 OVERVIEW OF BOOK CHAPTERS

FIGURE 1:

Figure 1 displays a stylized overview of this dissertation. The outline of this dissertation is as follows. In **CHAPTER TWO** a new conceptualization of attitudes about inequality is introduced. It is argued that existing conceptualizations either consider the extent to which inequality is seen as problematic or the moral judgments underlying the attitude about inequality. A new conceptualization is presented, which combines these two aspects, by conceptualizing moral judgments about inequality as the comparison between preferences for how inequalities should be distributed and perceptions of how they are currently distributed. Empirically, this conceptualization is applied to Dutch survey data that were collected specifically for this aim. These data include measurement of both preferences for and perceptions of rewards on the basis of (non-) meritocratic characteristics. The chapter examines these (non-) meritocratic preferences, perceptions and judgments is examined and considers how they differ among people with different levels of education and people with different levels of income. Furthermore, the utility of the new conceptualization is illustrated by an examination of the association between (perceived and actual) inequality and social trust. Three main findings are discussed. First, inequality is perceived to be a problem mainly when citizens judge the economy to reward non-meritocratic characteristics more than they ought to be. Second, it is primarily education that serves as a stratifying factor for (non-) meritocratic preferences, perceptions and judgment. People of higher education are shown to be more supportive of meritocratic rewards and are more critical of non-meritocratic rewards. Third, the judgment that non-
meritocratic traits are rewarded greater than they ought to be is associated with higher belief that income differences in the Netherlands are too large.

**CHAPTER THREE** examines how meritocratic judgments as conceptualized and measured in Chapter two might or might not have implications for demands for government-provided redistribution. In the literature on demand for redistribution it is often proposed that negative judgments about meritocracy will lead to higher demand for redistribution. However, as no accurate measurement of these judgments was previously available, empirical studies had to rely on either perceptions of or preferences about meritocracy as a proxy for judgments. The chapter examines the association between the new measurement of meritocratic judgments as the discrepancy between meritocratic preferences and meritocratic perceptions in three ways. The absolute size of the discrepancy between the preferred and the perceived, the direction of this discrepancy and a combination of the size and the discrepancy are all linked to demand for redistribution. The results suggest that more discontent with the rewards of meritocratic characteristics and (specifically) wanting to reduce meritocratic rewards are related to demanding more redistribution of incomes.

**CHAPTER FOUR** moves on to the second part of this dissertation, which consists of cross-national analyses. In this chapter, it is argued that the perception of corruption is an important object of study, because corruption is a severe violation of the meritocratic legitimation of inequalities. On the basis of the existing literature on inequality and corruption, it is argued that inequality increases corruption perceptions. This hypothesis is tested on repeated cross-sectional data from the Eurobarometer, allowing for a preliminary examination of association of within-country variation of inequality on corruption perceptions. Furthermore, two rival hypotheses are developed on the effect of inequality on stratification in corruption perceptions on the basis of socio-economic status. One hypothesis predicts that high inequality is associated with a larger gap in perceived corruption between those of high status (who perceive ceteris paribus less corruption) and those of low status, while the other predicts that inequality is associated with a lower gap in perceived corruption between these two groups. These rival hypotheses are also tested on the basis of data from the Eurobarometer. The results of the analyses support our longitudinal hypothesis about inequality and corruption: increases in inequality are associated with increases in perceived corruption. Furthermore, the results suggest that larger inequality is associated with a lower gap in perceived corruption between people of low and high socio-economic status.

**CHAPTER FIVE** studies the relation between perceived inequality and generalized trust. As such, the chapter contributes to the overarching of improving our understanding of how perceptions of inequality are related to attitudes about society. It is argued there that many of the theoretical arguments linking inequality to decreased generalized trust reflect to the perceived level of inequality, rather than to the actual level of inequality in a country. In the chapter, an existing measure of perceived inequality, based on survey
estimates of earnings of different occupations, is linked to generalized trust. This is done both on the country-level, with country-aggregated levels of perceived from the ISSP linked to trust data from the EVS and on the individual level, with perceived inequality and generalized trust included in the same wave of (German) ALLBUS. The results for the relation between perceived inequality and generalized trust are inconclusive. On the country-level, some support for the association between perceived inequality and trust is found, but this effect is no longer significant when controlling for national wealth. On the individual level, no association between perceived inequality and trust is found.

**CHAPTER SIX**, finally, concludes this book with a discussion of the findings of the aforementioned chapters, the limitations of the studies included in this book and the implications of the results for future research.
BIBLIOGRAPHY


