

Jolanda Jetten
Kim Peters *Editors*

The Social Psychology of Inequality

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Foreword

There can be little doubt that economic inequality is a major societal issue, one that has started to attract the attention of the general public, as well as economists, politicians and social commentators. A key reason for the increased attention to economic inequality is that there is evidence that it is growing, rather than shrinking or remaining stable. In the UK, for example, figures from the Equality Trust (2019) show that the top one-fifth of households receive 40% of national income, whereas the bottom one-fifth receive just 8%. These figures are based on the 2016 data. In the 40 years between 1938 and 1979, income inequality in the UK did reduce, with the share of income going to the top 10% of the population falling from around 35–21%. However, this trend reversed quite markedly in subsequent decades. Between 1979 and 2009/2010, the top 10% of the population increased its share of national income from 21% to 31%, whereas the share received by the bottom 10% fell from 4% to 1%.

The UK is not exceptional in this respect. In the USA, the top 1% of incomes grew five times as quickly between 1979 and 2015 as the bottom 90% (Sommeiller & Peters, 2018). Admittedly, the UK and the USA are two of the most unequal societies in the world, as far as income inequality is concerned; however, the same trends are evident in many other countries. In OECD countries, income inequality is now at its highest level in 50 years: the average income of the top 10% of the population is roughly nine times that of the bottom 10%, an increase from seven times as great just 15 years ago (OECD, 2019).

The data for wealth inequality are even starker. In Great Britain, the top 10% of households have 44% of total wealth. The poorest 50%, by contrast, have just 9% of total wealth, and there is evidence that this inequality has increased in recent years (Office for National Statistics, 2019). In the USA, data show that wealth inequality has increased markedly since the 1980s, with the top 1% holding 40% of the wealth in 2016, compared with 25–30% in the 1980s (Zucman, 2019). There is also evidence that the wealth inequalities between counties are growing. According to an analysis prepared by the UK House of Commons Library, the richest 1% of the world's population is currently on course to own just under two-thirds of the global wealth by 2030 (All-Party Parliamentary Group on Inclusive Growth, 2018);

unsurprisingly, the vast majority of these so-called ultrahigh net worth individuals live in the global north (Credit Suisse Global Wealth Databook, 2018).

Economic inequality clearly has a moral dimension: What can possibly justify these huge discrepancies in income and wealth, both within and between countries? It also has a clear social and political dimension: as history has shown us, glaring inequalities in income and wealth threaten social cohesion. Less obvious to some, perhaps, is that economic inequality has an important psychological dimension: How and why does such inequality affect the ways in which people think and feel and act? And what can theory and research tell us about the psychological factors and processes that help to maintain and justify economic inequality? It is these questions that are addressed in the present volume.

The editors of this timely volume have assembled a set of very impressive contributions from the world's leading researchers on this topic. Between them, they examine how economic inequality shapes – and is shaped by – institutions such as the workplace, schools and universities; how and why economic inequality influences our individual and social behaviours, ranging from the kind of food we eat to our readiness to help others in need; and what helps to account for the sheer stubbornness of economic inequality, ranging from the language we use to describe inequality to the ironical effects of social mobility beliefs.

The net result is a volume that is informative, thought-provoking and ultimately – despite the despair that can be experienced when analysing a phenomenon with such corrosive effects – inspirational. This focus on the social psychology of economic inequality can only serve to raise general awareness and understanding of its pernicious effects and thereby enhance our motivation to rein it in.

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Putting a Social Psychological Spotlight on Economic Inequality



Jolanda Jetten and Kim Peters

At the moment of writing the introduction to this edited book, the latest Oxfam report on inequality has just been released (Oxfam, 2019). One of the key statistics revealed by the report is that the 26 most wealthy people in the world now own as much as the 3.8 billion poorest people (i.e., half of the world's population). Moreover, while billionaires saw their wealth increase by 12% in 2018, the 3.8 billion poorest people actually lost 11% of their wealth.

These statistics reflect a troubling reality. As the gap between the world's poorest and wealthiest has widened, historical progress in combating poverty has largely been undone. In particular, while recent decades had seen a reduction in levels of poverty worldwide due to the concerted efforts of governments and non-government organizations (NGOs) (among others), since 2013 the rate of poverty reduction has halved. This is, in large part, attributed to rising levels of inequality. There are also signs that poverty is becoming more entrenched and pervasive. This brings with it a wide variety of negative outcomes such as high infant mortality, limited access to education, poor healthcare provision and reduced life expectancy. It is also clear that women are the hardest hit by these negative effects of inequality. This is both because women are more often at the poorer end of the wealth spectrum and because in highly unequal societies, relationships between men and women are also more unequal (Oxfam, 2019; see also European Commission, 2018).

Reflecting the broad recognition that economic inequality is one of the defining social issues of our age, there is a growing body of research that aims to map out its negative effects. However, to date, this work has focused on a somewhat narrow set of outcomes. In particular, most of this work has addressed either the impact of

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inequality on societies' economic outcomes (e.g., whether inequality affects economic growth; whether it triggers economic recessions; Kremers, Bovens, Schrijvers, & Went, 2014; Piketty, 2014) or the consequences of inequality for individuals' health and well-being (see Helliwell & Huang, 2008; Oishi, Kesibir, & Diener, 2011; Wilkinson & Pickett, 2009). Rather neglected is the impact of (growing) inequality on a society's social and political life. Furthermore, although there is some initial evidence that growing inequality does fray a society's social and political fabric—lowering trust and social capital and increasing violence and social unrest (Fajnzylber, Lederman, & Norman, 2002a, 2002b; Tay, 2015; Uslaner & Brown, 2005; for a review, see d'Hombres, Weber, & Leandro, 2012)—this work lacks compelling, theory-driven explanations for *why* inequality has these effects and *when* and for *whom* these effects are likely to emerge. These are important gaps because to respond effectively to inequality, we need a holistic understanding of its effect on individuals as well as on the collectives within which individuals are embedded. In answering these questions, there is an important role for social psychological theorizing because this is ideally suited to develop an understanding of the *processes* through which inequality can have societal-level effects. Advancing our understanding of the social psychological underpinnings of inequality is a timely and important research endeavor. This edited book aims to be the forefront of this journey.

In the remainder of this chapter, we will first articulate in greater detail how social psychological insights can enhance our understanding of the effects of inequality and the processes that underpin them, before outlining the structure of the book and the chapters that comprise it.

What Can a Social Psychological Analysis Offer?

Existing research on income inequality has yielded a number of important insights. It has also played an important role in raising international awareness of its potential to do substantial harm to nations' economies and the health and well-being of citizens. At the same time, however, this work has struggled to form a complete and comprehensive picture of the way that inequality affects societies. A social psychological analysis can help to fill the gaps in this picture in at least three ways: (1) by pointing to the processes that explain why inequality has negative effects for individuals and societies, (2) by emphasizing the relevance of subjective perceptions of inequality, and (3) by identifying the group dynamics that underpin the negative effects of inequality. We will explore each of these contributions in more detail below.

Uncovering Underlying Processes

Despite the fact that great progress has been made in understanding the negative effects of inequality on a range of outcomes, it is also clear that these findings are in need of an explanation—reasoning that helps us understand the *how* and *when* of

the negative effects of inequality. For example, in relation to predicting whether inequality leads to social conflict, Østby (2013) notes: "...the reasoning behind the various propositions—how and why inequality breeds conflict—has typically been lacking" (Østby, 2013, p. 213). Partly as a response to this state of affairs, it has been suggested that (social) psychologists should be involved to a greater extent in this work. For example, in recognition of the important role that psychological processes play in determining responses to inequality, the British epidemiologist Wilkinson recently made the (whimsical) statement that: "to understand the consequences of inequality, it might be more fruitful to study monkeys than Marx" (Kremers et al., 2014, p. 26).

To understand what social psychology can contribute to an understanding of the pathways through which inequality affects outcomes, it is worth considering the discipline's remit. A generally accepted definition of social psychology is that it is concerned with the scientific study of *how people's thoughts, feelings and behaviors are influenced by the actual, imagined, or implied presence of others* (Allport, 1954). In exploring how human behavior is influenced by other people, social psychologists pay particular attention to the role of the social context, and typically explore this experimentally. Although experimental methodologies can have downsides (including the low external validity of laboratory studies), there are two ways in which they may contribute to a better understanding of the effects of inequality.

First, experiments are able to establish causality. Although the existing body of work on income inequality has shown that there is a relationship between inequality and various outcomes, it has been less successful in determining causality: that is, that inequality *causes* these various outcomes. This is an important limitation because it leaves open the possibility that the observed relationship between inequality and other outcomes is spurious, and that the causal mechanism is something else entirely. Using experiments to establish causality can also be helpful where the relationships may be bidirectional (e.g., if inequality causes low generalized trust, which in turn increases inequality). While such bidirectionality is not problematic per se, experiments can provide insight into the relative strength of the opposing causal relations, and this can be helpful when exploring ways to address negative effects of inequality (see also Buttrick & Oishi, 2017).

Second, in their use of experiments, social psychologists are well positioned to study the factors that lead us to behave in a given way in the presence of others by systematically unpacking the conditions under which certain thoughts, feelings, and behaviors occur. Specifically, experiments can help us to tease out *when* particular contexts trigger specific behaviors and outcomes. This means that, even though experimental contexts are often low in external validity, they may help us to isolate important moderating variables and explore their role in the individual and social processes that unfold in the presence of inequality.

Although we are arguing here for the important contribution that an experimental social psychological approach can make to an understanding of the processes through which income inequality has its effects, we hasten to say that experimental research should not come at the expense of other approaches. Indeed, the findings of experiments are most valuable when they corroborate findings that have been

obtained in richer and more naturalistic contexts and then extend them by providing insight into causality, moderators, and mediating processes. We are therefore pleased that many of the contributions to this book advance knowledge by drawing from empirical evidence that has been produced using a wide variety of methodologies (including experiments) and from a range of disciplinary perspectives.

Focusing on Subjective Perceptions of Inequality

In many studies to date, the effects of inequality are examined by focusing on *objective* indicators, based on collated administrative data (such as the Gini index). Even though these efforts are important, they rest on the assumption that changes in actual income inequality in a country or society are tightly coupled with citizens' perceptions of and reactions to this inequality. That is, this work assumes that if inequality is large, people will perceive it as such. There is a small (but growing) body of research that identifies a number of problems with this assumption. For example, longitudinal research in China and Japan has shown that changes in objective income inequality do not systematically translate into changes in people's perceptions of income inequality or their evaluations of it (Tay, 2015). Recent history provides further evidence of the loose association between objective and subjective inequality. Despite the fact that objective levels of inequality were rather high before the onset of the Global Financial Crisis (GFC) in 2008, public awareness of this was low. It was only in the aftermath of GFC, when collectively shared narratives of inequality took hold, that people's awareness increased. These collectively shared perceptions were instrumental in shaping the collective action and protest that followed the GFC (e.g., the Occupy movement). It is, therefore, imperative that researchers do not restrict themselves to an examination of actual levels of inequality (e.g., changes in the Gini coefficient over time) but consider subjective perceptions too.

To the extent that people's responses to inequality are a function of their perceptions, the potential contribution of social psychological theorizing again becomes clear. Social psychology has a rich literature explaining why people perceive the world the way they do and how they then respond to those perceptions. In the context of inequality, people's perceptions and responses can be expected to be influenced by a range of social psychological processes that relate to inequality between individuals and groups, including social comparisons, relative deprivation, fairness perceptions, social identity considerations, power relations, and ideological stances. By engaging with these processes, we can ask new and revealing questions. When will people have accurate perceptions of a society's inequality and under what conditions will high levels of inequality remain undetected? Who will be most likely to perceive the inequality that exists, and who will not? And when will perceptions that society is unequal be accompanied by beliefs that this is problematic? Contributing to a better understanding of questions like this, many of the contributions to this

book focus on subjective income inequality—people’s perception of income inequality in a particular social context.

From Inequality Between Individuals to Inequality Between Groups

The third potential role that social psychology can play in advancing our understanding of the effects of inequality relates to its ability to elucidate the role of group dynamics. The importance of examining group dynamics is powerfully demonstrated by Østby’s (2013) analysis of the relationship between inequality and political violence. After reviewing the research in this area, Østby observed that when measures pertain exclusively to individual differences in income, there is little empirical support for a relationship between inequality and political violence. However, when examining studies that focus on *group* inequality, the picture is quite different. In particular, there is a clear relationship between higher levels of *group* inequality and greater levels of political violence. Østby argues that this reflects the fact that political violence is typically intergroup, in that politically motivated collective action is motivated by group-level grievances and group identities (see the relative deprivation literature for a similar point; Walker & Smith, 2002). As Østby puts it: “My first conceptual objection is that, in the inequality–conflict literature, most attention has been focused on inequality between individuals. However, the topic of interest, violent conflict, is a group phenomenon, not situations of individuals randomly committing violence against each other” (Østby, 2013, p. 213). In other words, to understand many of the negative consequences of inequality, we need theorizing that allows us to understand when people act as group members.

Social psychology is well positioned to provide this understanding. This is because social psychology—with its focus on the broader socio-structural context as well as group- and individual-level behavior—spans sociology and psychology. Accordingly, it is ideally suited to speaking to the way that macro-level features (e.g., societal inequality) have consequences for groups at the meso-level and individuals at the micro-level. Some of the authors to this contribution argue that the Social Identity Approach—SIA, composed of *social identity theory* (SIT; Tajfel & Turner, 1979) and *self-categorization theory* (SCT; Turner, Hogg, Oakes, Reicher, & Wetherell, 1987)—is a particularly useful theoretical framework for articulating the way that these different levels connect and interact to influence behavior (see also Jetten et al. 2017). This is because the SIA provides explicit theorizing about how individual-level psychological processes are affected and informed by the broader socio-structural context (e.g., economic and political factors affecting status relations between groups).

What is more, engaging with societal inequality allows for the elaboration and extension of social psychological theorizing. Indeed, this newly emerging area of

inquiry is providing a novel testing ground for social identity theorizing in particular. In the process, it both contributes to an already-established literature on intergroup threat, group dynamics, procedural justice, stereotyping, and prejudice, while simultaneously breaking new theoretical ground. This edited book brings together researchers who are all well-versed in theorizing relating to group processes, social identity, and intergroup relations. Their contributions hold the promise of real theoretical and empirical progress.

As-yet Untapped Social Psychological Potential

We have argued that social psychology has a great deal to offer to those who wish to understand the effects of income inequality and, as a consequence, those who wish to intervene to ameliorate these effects or to understand barriers to the pursuit of greater equality. However, to date, this potential is largely untapped. To illustrate this, we used *Google Search* to examine the number of articles published between 1990 and 2018 that mentioned “income inequality” in their title, while also referring to “social psychology” in any field. As Fig. 1 shows, there has been a promising increase in the number of articles that refer to income inequality *and* social psychology in the last decade. So, while fewer than 20 such articles were published each year before 2009, in the last 10 years this number has steadily increased, climbing to 54 in 2018.

However, it is important to put this growth into perspective. Figure 2 additionally graphs the number of articles that mentioned “income inequality” in their title but did *not* refer to “social psychology” in any field. Here too, it is obvious that there has been a tremendous increase in the number of published articles. More importantly, this increase is such that the ratio of articles on income inequality that engage with social psychological theorizing has not changed over the last decades. Even though this is only a snapshot analysis, it does suggest that the uptake of social psychological insights remains rather limited and that the potential is unrealized.

This edited book represents an effort to change this state of affairs. For social psychologists to be heard by those who wish to understand societal inequality and to grapple with its effects, we need to more clearly articulate what we have to offer. By bringing together the advances of the foremost scholars of the application of social psychology to inequality, we aim to show how this approach makes a coherent and powerful contribution to our understanding of one of the most pressing social issues of the day and point towards levers for achieving (and barriers to) positive social change.

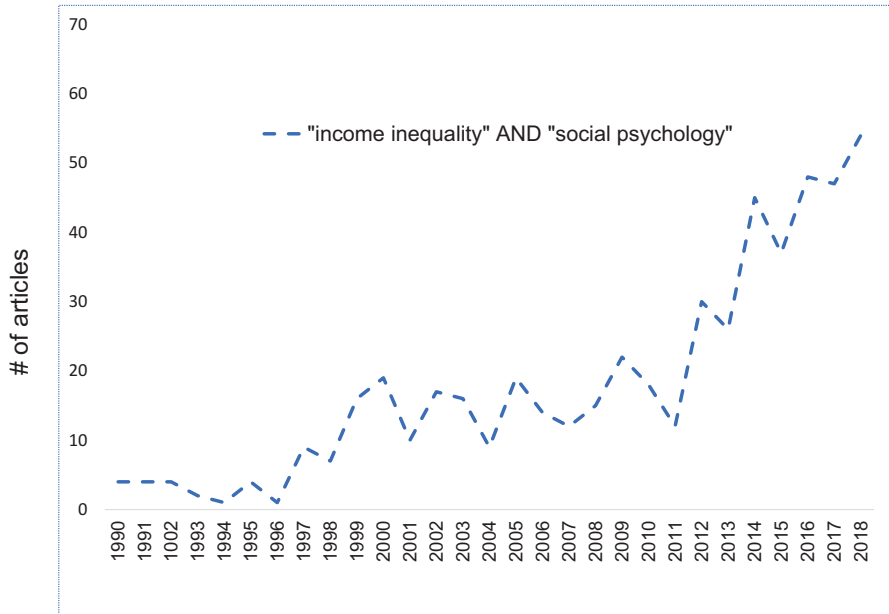


Fig. 1 Number of articles identified in a Google Scholar search (1990–2018) using the terms ‘income inequality’ (in title) *and* ‘social psychology’ (in any field)

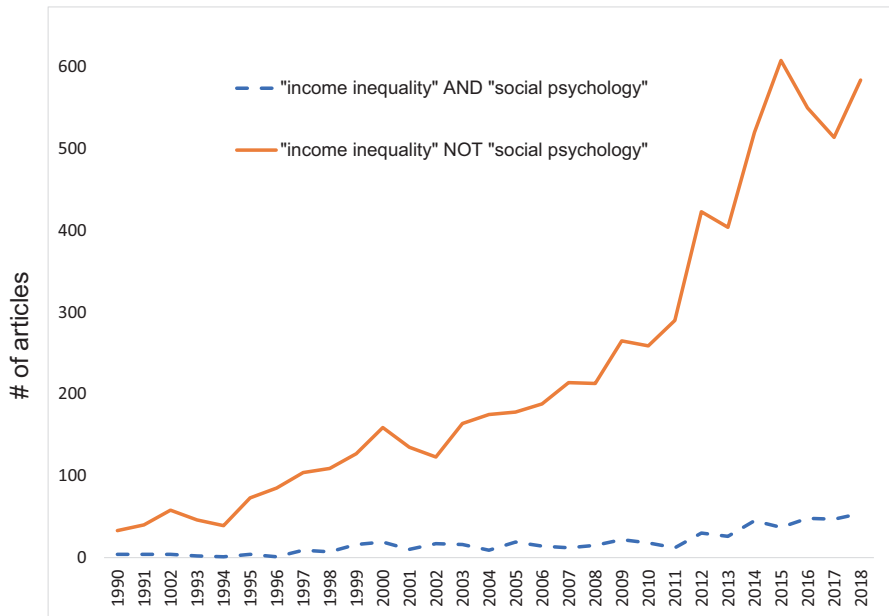


Fig. 2 Number of articles identified in a Google Scholar search (1990–2018) using the terms ‘income inequality’ (in title) *not* ‘social psychology’ (in any field)

The Present Book

The aim of this book is to bring together researchers who have been at the forefront of a social psychological analysis of economic inequality. By taking stock of these insights and by bringing them together in one volume, we hope to generate a valuable resource that captures the state of the field. It is our belief that these contributions will help us to build a research agenda that moves the field forward. The contributions are not only indicative of the excellent work that is being done but also serve to showcase the full range of questions and contexts and approaches in this field. This can be seen in our decision to include contributions by researchers who may not necessarily define themselves as social psychologists, but who have conducted research that we believe is of utmost relevance to social psychologists. It can also be seen in the different forms of inequality that are explored in this book (ranging from inequality in wealth to that which accompanies gender and social class). And, it can be seen in the international perspectives that are present among the contributors, who are based in 13 different countries.

Although, as noted previously, not all contributions focus on income inequality, most of them do. Economic or income inequality has traditionally been the purview of economists, political scientists, epidemiologists, and sociologists, and these researchers have mostly focused on objective indicators of inequality. The most frequently used of these is the Gini coefficient, which captures a society's position on a scale that ranges from 0 (perfect equality: all individuals have equal wealth and income) to 1 (perfect inequality: one individual has all of the wealth and income). Other indicators are also possible though, including those that calculate the ratio in earnings between those at the top and those at the bottom of the income distribution.

Our book also engages with inequality more broadly by including contributions that focus on inequality associated with gender (e.g., the gender pay gap) and social class (the form of economic inequality that has attracted the most interest from social psychologists to date). Even though social psychologists have always been interested in individual- or group-level differences in terms of social status, voice, power, and influence (e.g., as determined by, e.g., ethnicity or gender), only in recent years have they started to systematically explore the effects of economic inequality, largely in terms of social class (see Fiske & Markus, 2012; Manstead, 2018). This research has revealed that those at the lower and upper ends of the social class spectrum effectively live in different worlds, and that these differences have psychologically important outcomes, affecting stereotypes, values, and goals (see Stephens, Markus, & Phillips, 2014).

Reflecting this body of work, many of the chapters in this book focus on social class and the array of cultural and social dimensions that tend to co-occur with it (Manstead, 2018). However, an analysis of the effects of economic inequality cannot be reduced to an analysis of social class. This is because the consequences of inequality not only are due to the existence of high and low classes but also depend on the size of the *gap* and the distribution of economic resources (e.g., the lower versus the higher tail of the distribution). In order to integrate these insights, con-

tributors who talk about social class have also considered how an unequal context may affect how social class matters.

In what follows, we provide a brief overview of the 23 contributions to this edited book. These contributions fall into five themes that examine the psychological and behavioral consequences of inequality in a range of different contexts and unpack the psychological processes that produce these effects and that maintain unequal systems. The first two themes explore the consequences of inequality in organizational (Section 1) and educational settings (Section 2), and the third includes contributions that focus on impact of inequality for a range of important behaviors including food intake, consumption, prosocial behavior, risk taking, and decision-making (Section 3). The fourth theme includes contributions that shed light on the processes that underlie the negative effects of inequality and the fifth theme includes contributions that focus on why and how inequality is maintained.

Section 1: Inequality in Organizational Contexts

In this section, we bring together contributions that have explored the various consequences of inequality in organizational settings. Although organizations play an important role in producing societal inequality and are unequal contexts in their own right, it is only more recently that researchers have started to focus on the (social) psychological effects of organizational inequality. Together, these chapters suggest that many important negative consequences of inequality manifest in organizational contexts and that organizational processes present barriers and potential solutions to positive societal change. Accordingly, it is important that future work pays greater attention to the context where a substantial portion of society lives out their daily lives.

The first contribution by *Kim Peters, Miguel Fonseca, Alexander Haslam, Niklas Steffens, and John Quiggin* focuses on the consequences of excessive CEO pay for employees' reactions to these CEOs. In particular, and contrary to traditional perspectives that suggest that high CEO pay is beneficial for organizations (and society), they present evidence that high CEO pay may make it harder for CEOs to effectively lead other members of their organizations. In particular, they show that employees are less likely to personally identify with highly paid CEOs (compared with more moderately paid CEOs) and that this, in turn, reduces their perceptions that the CEO is an effective and charismatic leader. Ironically then, in the eyes of employees, high pay is not a cue that the leader must be extraordinary competent, but rather directly impairs the perception that the CEO has the capacity to lead their organization.

The next chapter by *Clara Kulich and Marion Chipeaux* focuses on economic gender equality and the psychological mechanisms that produce unequal economic outcomes for women and men in the workplace. The authors highlight a range of social causes of these unequal economic outcomes that are in large part responsible for the fact that women have less than 60% of the economic power of men, includ-

ing gender stereotypes that lead to biased hiring decisions, occupational segregation and the devaluation of “women’s work,” and differences in men’s and women’s responses to organizational inequality. Importantly, the authors argue that to address gender inequality, it will be necessary for organizations to adopt structural changes that ensure equal promotion and remuneration conditions for men and women and that create supportive organizational climates and transparency in terms of the way resources are divided.

Next, *Lixin Jiang* and *Tahira Probst* outline the way that income inequality in society more broadly negatively affects people’s ability to cope with work-related stressors. They focus on two processes that can explain this relationship. First, high-income disparity directly increases employee stress because income inequality promotes the adoption of structural conditions that threaten the work and financial conditions of employees (e.g., fewer employment protections, shorter duration of unemployment benefits, and lower union density). Second, high-income inequality may reduce employees’ abilities to cope with these stressors because it has been shown to erode people’s ability to access resources that can buffer against stress (including trust) and undermine group cohesion in society. Rather ironically then, employees are facing two challenges as a result of high-income disparity: poor objective conditions and a weakening in the social fabric that people rely on to cope with such conditions.

The final chapter in this section by *Boyka Bratanova*, *Juliette Summers*, *Shuting Liu*, and *Christin-Melanie Vaclair* explores how the capacity of societal inequality to increase interpersonal competition and social comparisons heightens status seeking and the pursuit of self-esteem. In the context of organizations, such dynamics can be harmful for employees who internalize a belief that they will get ahead if they only work hard enough, leading to longer working hours and poorer health and well-being. However, Bratanova and colleagues emphasize how organizations may actually hold the key to alleviating some of these negative dynamics (and improving organizational functioning) if they institute more democratic work structures, like employee ownership models.

Section 2: Inequality in Educational Contexts

The second section focuses on the effects of inequality in educational settings such as schools and universities. These contributions reveal that students’ social class matters a great deal for their comfort in educational settings, ability to integrate into them and to achieve high levels of performance. Furthermore, these effects of social class are likely to be exacerbated in more unequal societies. Together, then, these contributions show that the institutions that are meant to help people to break free from their backgrounds may actually perpetuate existing class-based structures.

The first contribution by *Mark Rubin*, *Olivia Evans*, and *Romany McGuffog* focuses on the Australian context and explores how inequality in terms of social class differences affects social integration at university. They review research find-

ings that consistently show that lower class students' integration at universities is lower than that of their higher social class counterparts. And the very fact that these lower class students feel less at home and feel they do not belong at universities negatively impacts on not only their performance but also their health and well-being. To break the negative integration-performance cycle, the authors focus on interventions that enhance integration among lower class students.

Matthew Easterbrook, Ian Hadden, and Marlon Nieuwenhuis take this message one step further and unpack the social and cultural factors as well as the social identity processes that underpin low integration among lower class students at universities. In their Identities-in-Context Model of Educational Inequalities, they focus, in particular, on key social and cultural factors that produce inequalities between social classes in terms of (1) the prevalence of negative stereotypes and expectations about a group's educational performance, (2) the representation of the group within education, and (3) the group's disposition towards education. They present evidence that on all three factors, lower social classes typically fare worse than their higher social class counterparts. Given that these social and cultural factors trigger social identity threat and perceptions of identity incompatibility (i.e., "people like me don't belong at university"), one can explain why lower social class students have poorer performance, lower aspirations, and more negative self-beliefs than higher social class students.

The last two contributions in this section focus not only on perceptions of low versus high social class students, but also on the way the educational system is set up to maintain and even reproduce social inequalities in schools and universities. In particular, *Anatolia Batruch, Frédérique Autin, and Fabrizio Butera* present evidence that despite the fact that educational systems aim to create contexts where everyone has equal opportunities (meritocracy), structural features introduced to select students have the unfortunate consequence that educational systems do not tackle but reinforce inherent social class inequalities. As a result, educational context may not fulfil the promise of providing a social mobility pathway for all students because social class inequalities are maintained and reproduced.

The authors of the last contribution in this section—*Jean-Claude Croizet, Frédérique Autin, Sébastien Goudeau, Medhi Marot, and Mathias Millet*—put forward a similar analysis and conclusion. Drawing from sociological theorizing, they also focus on the processes that explain how social inequality between the social classes is maintained and perpetuated. These authors show how educational systems institutionalize an essentialist classification of students whereby social comparisons lead to the sorting of students in groups of "those that belong here" and "those that do not belong here." Because this process is subtle and part of educational practices aimed at enhancing learning, the processes that perpetuate inequalities are not noticed and therefore not challenged. As a result, unfortunately, educational systems play an important role in the reproduction and legitimation of the existing (unequal) social structure.

Section 3: Consequences of Inequality on Preferences and Behaviors

While the first two sections focus on contexts within which many people spend the majority of their waking hours across the lifespan, there are many important behaviors that occur outside of educational and organizational institutions or that are not specifically tied to them. This third section pulls together contributions that show the wide variety of such behaviors that are affected by social inequality and that can account for many of inequality's negative consequences, such as poor health and social outcomes. More specifically, these chapters show how societal inequality can have an impact on people's consumption of food and other material goods, self-sexualization, prosocial behavior, and risk-taking.

Almudena Claassen, Olivier Corneille, and Olivier Klein focus on the relationship between inequality and food intake. Starting with the observation that societies with higher levels of economic inequality have higher obesity rates, the authors ask the question why that would be the case. While it is likely that there are multiple processes at work, Claassen and colleagues focus on evidence that inequality triggers perceptions that the environment is a harsh one necessitating competition for scarce resources. This perception of scarcity increases the desire for highly caloric food. They also discuss the possibility that inequality increases the salience of status differences, which encourages social comparisons and conformity to social class norms concerning specific food consumption. These processes too can be expected to lead to higher food consumption.

Khandis Blake and Robert Brooke also focus on the way that economic inequality enhances social competitiveness and a concern about status, but make the important point that these may, at times, have different implications for men and women. In particular, whereas men are more likely to engage in behaviors that enhance their social status in unequal than in more equal contexts (even if this means engaging in dangerous and violent behaviors), women are more likely to socially compete by enhancing their competitive reproductive pursuits. In particular, assessing the number of "sexy selfies" posted on online social network sites such as Twitter and Instagram across 113 countries, Blake and Brooke found that in areas of higher income inequality, women posted more sexy selfies online. This suggests that when inequality is higher, women feel a greater need to show their attractiveness to the world as a status enhancement strategy.

In the third contribution of this section, *Kelly Kirkland, Jolanda Jetten, and Mark Nielsen* focus on the way that children respond to inequality. These authors start with an outline of the way that children understand fairness and focus on at what time in their development children's prosocial behavior is guided by concerns about equity, merit and need. In the second part of this contribution, the authors focus more explicitly on inequality in the social context and they provide evidence that children as young as 4 years old are less prosocial when it comes to sharing resources with another child when they find themselves in a context of high compared to low inequality. As the authors note, these findings are important in helping us to develop

an understanding of fundamental human responses to inequality and how (and when) living in unequal societies can influence human prosociality.

The next contribution by *Jazmin Brown-Iannuzzi* and *Stephanie McKee* focuses on the effect of inequality on risk-taking behaviors. The authors argue that to understand the effects of societal inequality, it is necessary to examine subjective (in addition to objective) inequality, because these subjective experiences and perceptions influence the extent to which individuals engage in upward social comparisons. The authors review empirical evidence (including their own work) that shows that when people perceive that they are living in an unequal society, they are more willing to take risks and exhibit greater greed. To explain these relationships, they combine predictions from social comparisons and risk sensitivity theorizing and argue that economic inequality triggers upward social comparisons, further enhancing socially competitive behaviors. Risk is then taken to meet higher perceived need.

In the final chapter in this section, *Jennifer Sheehy-Skeffington* focuses on the consequences of being poor on decision-making. She makes a compelling case that inequality enhances perceptions of being poor, which enhances perceptions of socio-economic threat. This, in turn, is associated with suboptimal decision-making such as risk taking, gambling, and spending a greater proportion of income on luxury goods—all behaviors that enhance financial strain and debt. However, rather than viewing these behaviors through a cognitive deficit lens, Sheehy-Skeffington argues that these behaviors can be considered adaptive. In particular, risky and short-term decision-making may well serve the important proximal goal of surviving in the harsh context that inequality represents.

Section 4: Why Does Inequality Have These Negative Outcomes?

While authors in the preceding sections have evoked a range of psychological mechanisms in the course of examining the various effects of income inequality, this fourth section brings together contributions that are specifically concerned with explaining some of the ways in which inequality affects basic psychological processes and motivations. In particular, these contributions show that inequality can spark social anxiety and threat, can lead to misperceptions of one's position in society relative to others, can fuel a desire for more and can affect people's awareness of class divides in society.

Lukasz Walasek and *Gordon Brown* start this section and, in their contribution, they review the social rank and material rank hypotheses and explain how these processes are crucial in understanding the negative effects of inequality on a range of outcomes. The authors start with a critical analysis of the social anxiety hypothesis—the idea that inequality enhances social comparison and social status concerns, which is reflected in a heightened interest of people in positional goods when inequality is higher. In an attempt to pinpoint more precisely the cognitive

underpinnings of the negative effects of inequality on social outcomes, they propose to engage with models that are developed in the decision-making literature and then in particular rank-based cognitive models. In support of their argument, the authors show how these models can help to understand why it is not income but the relative ranked position of people's income within a social comparison group that best predicts the negative effects of inequality.

Danny Osborne, Efraín García-Sánchez, and Chris Sibley propose the Macro-micro model of Inequality and Relative Deprivation (MIREDD), which focuses, in particular, on the way that relative deprivation perceptions are crucial in explaining the negative effects of inequality on outcomes. In particular, they propose that inequality heightens people's perceptions that they are deprived (either as individuals or as a group). They note that even though the negative well-being effects of such relative deprivation perceptions are well documented, it is clear that inequality-induced relative deprivation also has other outcomes. In particular, it heightens the extent to which people identify with their ethnic group. It is important to understand these processes, because heightened ethnic identification may motivate tensions between groups and heighten "us" versus "them" perceptions and, at times, this will lead to collective action and social unrest.

In the next contribution, *Daan Scheepers* and *Naomi Ellemers* make the important point that inequality may at times also be threatening for high-status groups. In particular when the unequal status and access to resources are perceived as illegitimate and likely to change in the future (i.e., status relations are unstable), high-status groups may perceive that their status is under threat and this causes status stress. Scheepers and Ellemers present a number of studies that provide neurophysiological evidence for status stress among high-status groups that worry about shifting power relations between status groups. In recognition that attempts to address status stress may backfire, the authors finish their contribution with a number of useful interventions that one can employ to reduce defensive reactions from high-status groups when attempting to alleviate high levels of inequality.

The next contribution by *Zhechen Wang, Jolanda Jetten, and Niklas Steffens* focuses not so much on the fear of groups that they might lose status in unequal status systems, but on the question how inequality affects the desire for more money and status. The authors present empirical evidence that the desire for more money and status is higher in unequal than in more equal societies. In addition, they find that this desire is higher among those who find themselves at the poorer end of the wealth spectrum compared with their wealthier counterparts. The authors finish with the point that to better understand these dynamics, it is important to take account of the fact that the broader socio-structural contexts moderate and shape these responses. They present an outline of social identity theory predictions focusing on the feasibility to achieve upward mobility in an unequal society, and the stability and legitimacy of existing levels of inequality to better be able to predict responses to inequality.

In the final contribution to this section, *Héctor Carvacho* and *Belén Álvarez* raise the interesting point that inequality may not be noticed, and, that for it to be noticed, people need to develop a sense of class consciousness. Starting with the observation

that despite the fact that inequality is harmful for the working classes in the sense that it puts a spotlight on their disadvantage, working classes (i.e., low-status groups) are remarkably accepting of inequality and do not seem to routinely challenge it. The authors present compelling evidence not only that class consciousness is higher in countries that are more economically unequal, but also that class consciousness is detrimental for working-class individuals' health and life satisfaction. This poses interesting questions about the health consequences of noticing versus being blind to inequality.

Section 5: Why and How Is Inequality Maintained?

There is good evidence that inequality is bad for everyone (Wilkinson & Pickett, 2009)—although it may be worse for some than for others. But, when it comes to reducing inequality in a society, it is likely that the motivation to tackle inequality differs across different groups (e.g., the wealthy, middle-class and the poor, those at the political left versus those at the political right, those who have more versus less formal education). Addressing inequality therefore relies on an understanding of how to overcome the resistance of some. It also relies on an understanding of the rhetorical and explanatory constructs that allow people to justify and seek to perpetuate or increase inequality. The chapters in this last section bring together contributions that aim to improve this understanding, and thereby point to important levers for those who seek to bring about change.

A first contribution by *Martha Augoustinos* and *Peta Callaghan* sheds light on the way that language is used and employed to maintain and justify inequality. The authors note that despite the sustained attention social inequality has received in Western liberal economies by public policy experts, there has been little research examining how ordinary people talk about social inequality in everyday life. This chapter examines the language of inequality and how it is articulated in everyday talk and social interaction. Drawing on research examining talk about racial, gender and economic concerns, the authors show how the language of inequality is patterned by the flexible use of contradictory liberal egalitarian principles. Through the flexible deployment of these principles, social inequality is typically rationalized and justified, particularly but not exclusively by members of dominant groups. In general, these strategies function to justify existing social inequalities and deny the need for social change.

The next chapter by *Susan Fiske* and *Federica Durante* focuses on the important role of mutual status stereotypes in maintaining inequality. They note that inequality creates mutual resentments and this forms a fertile ground for mutual stereotypes to become more negative. Social psychology survey data from the stereotype content model (SCM) describe images of arrogant elites, who seem competent but cold. In addition, the working class is depicted as incompetent (as hillbillies, rednecks, or simply ignorant). The authors note how mixed and more ambivalent stereotypes prevail in more unequal societies and further serve to maintain and justify the

system. To break this cycle, structural change is required, which focuses for elites on interpersonal solutions (e.g., acknowledging inequality) and for blue-collar individuals, reconciliation may require more structural solutions.

In the next section, *John Blanchar* and *Scott Eidelman* focus on yet another way in which inequality is maintained and justified by emphasizing the longevity of systems of inequality. They present research that shows that the longer the prevailing social arrangements are in place, the more they are perceived as the natural and fair way to organize society. Because people justify the status quo when systems are long-standing, it is relatively rare that they will challenge these systems—they were found to experience less moral outrage and therefore less support for social change—contributing to their continued existence. To reverse the influence of system longevity on the legitimation of inequality, it would be essential to draw attention to inequality. However, this would require motivation and mental effort to consider the unfairness of existing forms of inequality.

The notion that fairness perceptions are key to challenging existing inequality also comes to the fore in the next contribution by *Martin Day* and *Susan Fiske*. These authors focus on the nature and consequences of social mobility beliefs and argue that perceptions that it is relatively easy to climb the social and economic ladder represent a double-edged sword. At least at the societal level, collectively shared perceptions that “one can make it if one tries” justifies the status quo and justifies existing inequalities. At the personal level, effects of the belief in social mobility are less straightforward and such a belief can be either a motivating force for individuals or one that undermines their well-being. The authors outline a number of avenues for future research that might shed greater light on the role of social mobility beliefs in the maintenance of inequality.

The final contribution to this section (and also this book) by *Rael Dawtry*, *Robbie Sutton*, and *Chris Sibley* focuses on the way that perceptions of wealth distributions are key in predicting support for the redistribution of wealth to alleviate negative effects of inequality. In contrast to research that has shown that resistance to wealth distribution is a motivated response (i.e., those who are wealthier may oppose redistribution out of self-interest), these authors nicely point out that perception also plays a key role in such resistance. In particular, they show how wealthier segments of society are also typically exclusively exposed to people of similar wealth. In turn, this means that wealthy people overestimate societies’ wealth and they therefore do not perceive there to be much of a need for redistribution through social policy.

Charting a Course to a More Equal Future

It may seem that, by finishing with a series of contributions that deal with the forces that maintain social inequality, this book ends on a rather gloomy note. However, in our view at least, all is not doomed and indeed there are a few developments that are a source of hope. This endeavor of bringing together the social psychological knowledge on inequality is occurring in a context where the outcry over the high

levels of inequality seems to be growing stronger. For example, as we write, the media is reporting an increased appetite among American voters to increase taxes on the super wealthy to address rising levels of inequality. This can be seen in recent headlines such as “Most Americans support increasing taxes on the wealthy,” “A 70% tax on the super-rich is more popular than Trump’s tax cuts, new poll shows,” and “nearly half of Americans support Alexandria Ocasio-Cortez’s 70% marginal tax on the super-rich, according to a new poll.” Of course, the willingness to address inequality by supporting drastic measures may be short-lived and ultimately lies in the hands of those with the levers of power; but still, there is hope.

And although there is not much we can do about current political developments, we believe that a positive future requires a solid platform of knowledge about the phenomenon of social inequality. And while the contributions in this book largely identify how and why inequality does us harm, and is so hard to counter, we can foresee a future where a growth in the body of work that applies social psychological approaches to these problems will enable a sequel providing a social psychological analysis of the effectiveness of the different interventions that aim to address and alleviate the negative consequences of inequality. To bring about this future, we hope that this book inspires researchers to not merely accept the situation as they find it but to think of how they can work towards producing social outcomes that are beneficial for all of us. Although the challenges are great, many of the most important tools (i.e., rigorous theorizing and empirical work) are within our hands. We hope that you, the reader, are willing to be part of this journey.

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Part I
Inequality in Organizational Contexts

Fat Cats and Thin Followers: Excessive CEO Pay May Reduce Ability to Lead



Kim Peters, Miguel A. Fonseca, S. Alexander Haslam, Niklas K. Steffens, and John Quiggin

Fat Cat Thursday: Top bosses earn workers' salary by lunchtime. (Neate, 2018)

In 2018, as in previous years, disclosures of the pay of public company chief executive officers (CEOs) have been accompanied by widespread media coverage, political condemnation, and public outrage. The main talking point is a simple one: while the typical worker continues to see little improvement in their pay, CEOs continue to do exceedingly well. For instance, in Australia, CEOs of large public companies are estimated to earn between 15 and 106 times the salary of the average worker (Walker, 2016). In the United Kingdom, CEOs of FTSE 100 companies receive about 120 times what the typical worker does (CIPD, 2018). And in the United States, CEOs currently earn around 271 times what their workers do (Mishel & Schneider, 2017). This state of affairs is relatively recent, as in the middle of the twentieth century, US CEOs earned about 20 times the amount of the typical worker. This means that over the last half century, CEOs have seen their pay rise by almost 1000% while their workers have had a paltry rise of just 11% (Mishel & Schneider, 2017). The enrichment of CEOs and (to a lesser extent) other member of the executive class has had measurable societal consequences. In particular, it has increased the concentration of societal income among those at the very top of society, and may be one of the most important factors in the increase in income inequality in the United States in the past 50 years (McCall & Percheski, 2010; Piketty, 2014).

Understandably, the public discourse around CEO pay has focused on its implications for society broadly (see also Bratanova, Vauclair, Liu, & Summers, chapter “A Rising Tide Lifts Some Boats, but Leaves Many Others Behind: The Harms of Inequality-Induced Status Seeking and the Remedial Effects of Employee Ownership”). Somewhat overlooked is the possibility that high levels of CEO pay may also have negative implications for the functioning of their organizations. In

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this chapter, we explore the implications that CEO pay may have for the CEOs' most important function: their capacity to lead their organization. Drawing on the social identity approach to leadership (Haslam, Reicher, & Platow, 2011), we argue that high pay is likely to erode CEOs' capacity to create a shared social identity (or sense of "us") with their workers, and thereby weaken their ability to influence them to work toward their organization's goals. If true, it suggests that in setting CEO pay, organizations need to consider a wider range of outcomes than is suggested by dominant economic models of leader remuneration. This is because in setting CEO pay, organizations shape the motivation and behavior not only of their CEO but also of their workers. Indeed, in designing compensation packages that attempt to ensure that CEOs do the right thing by shareholders, organizations may be driving a wedge between CEOs and their workers.

In what follows, we will summarize models that account for CEO pay (including determinants of their rising pay) as well as the theoretical and empirical bases for our argument that high CEO pay may erode their ability to lead. In the process of revising the literature, it becomes apparent that the changes in CEO pay over the past 50 years not only have harmed the well-being of individuals and groups in society but may also have reduced the capacity of firms to create prosperous and just societies.

Understanding CEO Pay

In this section, we explore some of the factors that have been implicated in the recent historical rise in CEO pay. Setting the pay of CEOs and other members of the top management team is one of the most important functions of an organization's board of directors. This is because the nature of a CEO's compensation package (i.e., its size and structure) is seen to be the main instrument that a board has to motivate their CEO so that she or he pursues (and achieves) high levels of organizational performance. This instrument is seen as necessary to deal with the moral hazard that is introduced by the fact that within organizations there is typically some separation of ownership and operational control. In particular, there is the risk that those who have operational control (e.g., CEOs) will run the organization in ways that satisfy their own personal interests (i.e., allowing them to extract undeserved "rents") rather than the collective interests of the firm's owners (i.e., maximizing value for shareholders).

According to agency theory (Fama & Jensen, 1983; Garen, 1994), this moral hazard can be minimized by setting up appropriate contracts that specify the relationship between the outputs of a CEO's effort and their compensation. The optimal contract is often related to the organization's performance, insofar as it can be attributed to factors within the CEO's control (Hölmstrom, 1979). In addition to specifying some relationship between organizational performance and CEO pay, boards can seek to further align the interests of CEOs and their shareholders by including shares as part of the CEO's compensation package (thereby making them owners

too). The extent to which compensation packages of CEOs (but not other workers) are made up of shares can account for the relative increase in CEO (and executive) pay in comparison with other workers. This is because shares have, like other forms of capital, historically attracted higher rates of return than labor has.

Another perspective on the rise in CEO pay is provided by neoclassical economics. The standard neoclassical model of labor markets is one in which workers are paid the value of their additional contribution to firm output. In a model of this kind, payments to the CEO reflect such factors as leadership capacity and decision-making ability. These may be measured by credentials of various kinds, including past experience. In this framework, the increase in CEO pay may be seen as the result of organizational changes that have increased the importance of managerial skills and thus the value of the CEO's contribution. It may also be seen as the result of the gradual removal of the constraints on CEO pay that were in effect during the mid-twentieth century and that meant that CEOs were previously underpaid relative to the value of their contribution. An alternative account within the neoclassical tradition is provided by models of class conflict. These models also assume that a CEO's pay depends on their contribution to the firm's profits, although this is primarily achieved by repressing wages rather than increasing the value of the firm's output. From this perspective, the increased pay accruing to CEOs is directly linked to the declining share of income going to labor.

A final model of CEO pay relates to the impact that paying CEOs more than they are worth may have on other workers. In particular, tournament models (Rosen, 1986; see also Connelly, Tihanyi, Crook, & Gangloff, 2014; Faleye, Reis, & Venkateswaran, 2013) suggest that boards may use CEO pay to extract higher effort from the company's employees. According to these models, CEOs are paid more than the value of their contribution to the firm (and other workers less than their value) because high payments to CEOs elicit greater effort from senior managers who aspire to occupy their position (see also Walasek & Brown, chapter "Income Inequality and Social Status: The Social Rank and Material Rank Hypotheses"). Although this means that individual managers do not receive payment that is commensurate with their individual contributions, with some few receiving more than they should and the rest receiving less, at the group level, payments equal to contributions.

Whether these "rational" factors associated with material incentives can indeed account for the increased rise in CEO pay is still an open question. The empirical literature is vast and contradictory. On one hand, the neoclassical model receives some support from an analysis of pay during the global financial crisis (2007–2009), when average firm value decreased by 17%, and CEO pay fell by 28% (Gabaix & Landier, 2008), and immediately after it (2009–2011), when firm value increased by 19% and CEO pay rose by 22% (see also Edmans, Gabaix, & Landier, 2008; Falato, Milbourn, & Li, 2012). At the same time, however, longer term trends are less supportive. Over the period beginning in the 1970s, CEO pay rose rapidly (along with corporate profit and profit sharing with shareholders), while wage growth of workers was weak in most developed countries, and almost nonexistent for large segments of the US workforce. Growth in employment, output, and productivity has

also been weaker than that in the previous decades following the World War II. Overall, these trends are inconsistent with the standard neoclassical model, leading scholars such as Finkelstein, Hambrick, and Cannella (2009) to argue that there is a great deal of heterogeneity in CEO pay that is not accounted for by economic fundamentals, such as the size of the organization or the macroeconomic conditions. Another notable trend is a steady increase in the proportion of CEOs hired from outside the organization (Falato et al., 2012). This does not follow straightforwardly from the tournament model, namely that the higher the reward for the CEO, the stronger should be the preference for an internal candidate (Agrawal, Knoeber, & Tsoulouhas, 2006).

If the rise in CEO pay cannot be wholly attributable to such compensation models, then what is responsible for it? The literature points to two factors: the ability of CEOs to set their own pay and biases on the part of the board. Rent-seeking models (Bebchuk, 1994; Bebchuk & Fried, 2004) suggest that CEOs do not act in the interests of the firm, however defined. Rather, they use their positions of power to create an environment in which they can enrich themselves at the expense of both workers and shareholders. Indeed, CEOs who have occupied their role for a long time possess large shareholdings in the company and high levels of control of the top management team and are likely to have a great deal of control over their compensation. Equally, although members of the board are supposed to base their decisions around CEO compensation on economic fundamentals, they typically have a large degree of discretion in the way in which they do this (e.g., by choosing which peers to benchmark against; Bizjak, Lemmon, & Nguyen, 2011). This means that boards are relatively free to act on their personal biases or to pursue their career-related or reputational self-interest (Murphy & Sandino, 2010). Supporting this point, Gupta and Wowak (2017) found that board member ideology affected CEO pay, as boards whose members made more donations to conservative causes paid their CEOs more, and based their pay more strongly on organizational performance, than boards whose members made more donations to liberal causes. At the same time when boards agree to award CEOs high salaries, this may enhance their own standing in the CEO's eyes and thereby advance the shared interests of managers more generally—and in ways that they themselves benefit from in the future.

In sum, although the evidence in their favor is mixed, mainstream economic models offer a range of accounts that explain why the increase in CEO pay relative to workers that has been observed in the last 50 years may be justified as rational. And even if CEOs are overpaid, tournament models suggest that this may have beneficial consequences, increasing the extent to which those who aspire to be CEOs are prepared to exert effort in spite of their relatively low pay to beat their peers to the ultimate prize. At the same time, however, there has long been a recognition within management and economics (e.g., as expressed in equity and cohesion theories; Adams, 1963; Levine, 1991) that pay dispersion within organizations has the potential to yield negative outcomes too (Siegel & Hambrick, 2005). Extending this point, in this chapter we argue that high CEO pay may have negative implications for what can be seen as CEOs' core function: their capacity to lead.

The Social Identity Approach to Leadership

Our expectation that CEO pay can affect the ability of CEOs to effectively lead their organizations is grounded in the social identity tradition (Tajfel & Turner, 1979; Turner, 1991; Turner, Oakes, Haslam & McGarty, 1994). A central claim of social identity theory is that people's self-concept, or sense of who they are, is derived not only from their sense of who they are as an individual "I" (a person with unique attributes, values, and goals), but also from their sense of who they are as a collective "we" (as a member of a group with shared attributes, values, and goals). Importantly, when individuals internalize their membership of a given group, their behaviors will be directed towards enacting the attributes and values that characterize it as well as realizing its goals. They will also have a heightened attentiveness to, and desire to coordinate with, the behaviors of other group members. In other words, according to this theorizing, shared social identities provide a basis for collective action and social influence (Turner, 1982, 1991). This claim is borne out by an extensive body of research that has shown that shared social identity is a basis for a broad range of important organizational phenomena including cooperation and extra-role behavior (Blader & Tyler, 2009; van Dick, Grojean, Christ, & Wieseke, 2006), motivation and performance (Haslam, Powell, & Turner, 2000; Ellemers, de Gilder, & Haslam, 2004), and leadership and followership (Turner & Haslam, 2001; van Knippenberg & Hogg, 2003; for a review, see Lee, Park, & Koo, 2015).

In their *New Psychology of Leadership*, Haslam et al. (2011) argue that leaders will be more effective to the extent that they are able to cultivate and tap into a social identity that they share with followers. This is because leaders who can *create* and *represent* a shared social identity should be better able to accomplish the essential task of leadership: the mobilization of followers towards the achievement of collective goals (Haslam, 2004; Rast, 2008). In line with this claim, there is evidence that group members who are seen to represent a group's identity—both by embodying what it stands for and by working hard on its behalf—are particularly likely to be a point of reference for other members of their group and therefore to be influential in shaping their thinking and behavior and to be endorsed as leaders (Haslam & Platow, 2001; Platow & van Knippenberg, 2001; Ullrich, Christ, & van Dick, 2009; for recent reviews, see Barreto & Hogg, 2017; Hogg, Van Knippenberg, & Rast, 2012; van Knippenberg, 2011). In one particularly striking example of this point, Steffens and Haslam (2013) showed that contenders for the position of Prime Minister in Australia since 1903 were much more likely to be successful if they evoked a shared national identity through references to "we" and "us" in their campaign speeches (with the candidate who used these terms most going on to win 80% of elections). Furthermore, in a longitudinal study of leadership in the Royal Marines, Peters and Haslam (2018) showed that trainees who expressed a greater concern with helping their group to succeed (rather than with rising to the top) at the start of their training were more likely to be perceived as leaders by their peers 1 year later.

CEO Pay and Shared Identity

On the basis of the foregoing arguments, we can expect that the ability of CEOs to create and represent a shared social identity with their workers will affect their ability to lead. Importantly, then, this suggests that CEO pay may matter for leadership if it affects their ability to create and represent a shared social identity. So is there any evidence that pay may have identity implications? In fact, there are at least two reasons for expecting that high CEO pay will undermine worker perceptions that they share a social identity with their CEO. First, there is evidence that people are highly sensitive to interpersonal comparisons in relation to pay, and that perceptions that one is underpaid relative to other organizational members tends to undermine a person's sense of being valued, as well as their motivation and effort (Goodman, 1974). Second, where a CEO's pay is more contingent on company performance than workers' pay (and CEO bonuses and stock options ensure that this is almost always true) then the divergent pay outcomes of CEOs and many of their workers is likely to erode a sense of shared fate. This divergence may be particularly salient in times of organizational success, as CEOs may be perceived to reap all the rewards of the efforts of all organizational members. Together, this suggests that contemporary forms of CEO compensation are likely to undermine shared social identity.

According to equity theory (Adams, 1963; Wallace & Fay, 1988), whether workers are satisfied with their pay is determined by their perception that the ratio of their own effort to their pay and that of others is fair. If a worker believes that he or she is exerting more effort for their pay than others are, they should seek to rectify this by reducing their effort or seeking a pay rise. Importantly, it has been suggested that pay disparity (and perceptions that it is or is not equitable) has implications not only for how much effort a worker is prepared to exert but also for their relationships with their colleagues (Levine, 1991). Specifically, when pay disparity is perceived to be unfair, worker cohesion is likely to break down. In social identity terms, pay dispersion (especially when it is perceived to be unfair) should erode a sense of shared identity (Jetten et al., 2017). Furthermore, as suggested earlier, when the basis for CEO and worker pay differs such that a CEO's pay is more closely connected to their organization's performance than the worker's is, this is likely to undermine perceptions of shared fate. According to Deaux (1996; see also Jackson & Smith, 1999), shared fate is one of the major mechanisms of social identification. To the extent that CEO pay affects shared identity in these ways, workers should be less inclined to prioritize the needs of their organization and the interests of the collective over their own personal needs (see also Greenberg, 1990).

In line with these suggestions, there is a large body of work that suggests that unequal pay can have a range of negative effects in organizations. Much of this work has been conducted in sports teams, because the public nature of pay and the accessibility of (and consensus around) performance metrics simplifies this analysis. Although the results are somewhat mixed, perhaps reflecting the different production functions that underlie performance in the different sports (e.g., Frick, Priz, & Winkelmann, 2003), there is evidence that higher levels of team pay inequality

are associated with poorer team performance over time in soccer and baseball (Coates, Frick, & Jewell, 2016; Frick et al., 2003). These results have also been shown to hold in a nonsporting domains. For instance, Pfeffer and Langton (1993; see also Bloom, 1999) found that salary inequality within 600 academic departments was negatively associated with current and long-term research productivity, job satisfaction, and research collaboration.

There is also evidence that high disparity in pay between CEOs and other members of their organization can have negative outcomes. For instance, Cornelissen, Himmler, and Koenig (2011) found that workers who perceived their CEO's compensation as unfair (in relation to job demands) reported levels of absenteeism that were 20% higher than would be expected on the basis of individual-level factors, such as physical health. Negative outcomes have also been observed within top management teams (Bloom, 1999; Carpenter & Sanders, 2002; Hayward & Hambrick, 1997; Siegel & Hambrick, 2005; Pfeffer & Langton, 1993). For instance, Ou, Waldman, and Peterson (2018) found that greater pay disparities between CEOs and other top executives were associated with lower perceived team integration and poorer financial performance. Furthermore, Wade, O'Reilly, and Pollock (2006) examined a sample of 120 firms over a 5-year period and found that if lower-level managers were underpaid relative to their CEOs, they were more likely to leave the organization. Finally, Haß, Müller, and Vergauwe (2015) found evidence that greater pay disparity between the CEO and other executives was associated with a greater likelihood that executives would engage in fraud (Haß et al., 2015).

Importantly, in line with the expectations of equity theory, there is evidence that the extent to which pay disparity is likely to have negative effects will be determined by workers' perceptions that it is (or is not) fair. For instance, Fredrickson, Davis-Blake, and Sanders (2010) found that the negative association between CEO-executive pay disparity and the performance of a random sample of S&P 500 companies was weaker in the presence of factors that might justify this pay disparity (e.g., CEO tenure, ownership position). An implication of this is that workers may in some circumstances tolerate the high pay of their CEOs (e.g., when they believe that a CEO's high pay is commensurate with their skills and effort). In addition, consistent with tournament theory, workers may be more tolerant of high CEO pay if they believe this has positive implications for their own future financial prospects. Speaking to this point, Cullen and Perez-Truglia (2018; see also Faleye et al., 2013) found that while workers who believed that they were paid less than peers exerted less effort and performed more poorly (as measured by hours worked, e-mails sent, and sales), those who believed that they were paid less than managers worked harder and performed better. They were able to show that these effects were driven by workers' beliefs about the future implications of others' pay. In particular, highly paid peers were seen to indicate that one's own future earnings prospects were poor, while highly paid managers were seen to indicate the opposite.

Yet while this suggests that workers are likely to tolerate (and in fact approve of) some degree of pay disparity with CEOs, there is reason to believe that there are limits to this. Consistent with this possibility, Kiatpongsan and Norton (2014) surveyed more than 55,000 people in 16 developed countries and found that while there

was a consistent belief that CEOs should be paid more than the average worker, respondents believed that the ideal ratio of CEO-to-worker pay should be about 4.6:1 (a value that is less than half of their *estimate* of the actual ratio, and one-twentieth of the *actual* ratio). This in turn suggests that most workers (at least those in large, public organizations) are likely to believe that their CEOs are currently overpaid, and that this is neither fair nor indicative of their own future earning prospects.

While this work shows that pay disparity in organizations can have a range of negative implications for organizational performance, team functioning, and worker commitment—at least when this disparity is perceived as unfair rather than a signal for a worker’s future earning potential—there is limited work which either (a) explains why these effects eventuate or (b) shows that they affect a CEO’s ability to lead. These are gaps that our own recent research has attempted to fill. In line with social identity theorizing, we suggest that one important reason why CEO pay disparity matters is that it erodes shared organizational identity and therefore undermines a CEO’s capacity to lead the organization. These are ideas that we have tested in both survey and field experimental research.

CEO Pay and Ability to Lead

In an initial study (Steffens, Haslam, Peters, & Quiggin, 2018), we tested the hypotheses that workers will identify less with CEOs who are very highly paid, and that this will reduce their perceptions that their CEO is an effective identity leader (i.e., one who creates, represents, advances, and embeds a sense of “us”; Haslam et al., 2011; Steffens et al., 2014) and has high levels of charisma (see Fig. 1).

The study recruited 590 adults to take part in a survey of perceptions of CEOs. Participants were randomly allocated to read one of two versions of a one-page description of Ruben Martin, the fictional CEO of a US technology company. This description covered Martin’s background, his company’s successes, and technological advances. Critically, the two versions of this study varied in their descriptions of Martin’s pay, so that it was either higher or lower than that of most other US CEOs. This variation was highlighted by varying the title of the description (Ruben Martin:

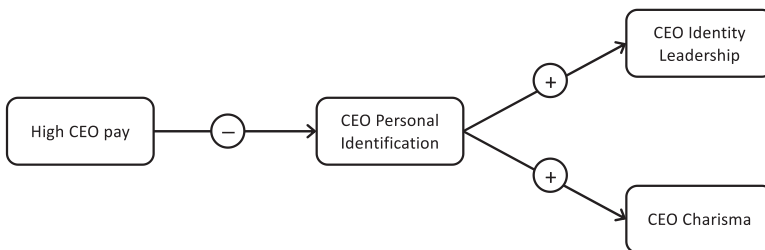


Fig. 1 Hypothesized effects of high CEO pay on worker’s perceptions of the CEO

Big on Technological Advance, [Big/Small] on Salary) and the concluding sentence (Ruben Martin is [highly/moderately] paid for his role, being paid [more/less] than 97% of American CEOs).

After reading this description, participants were asked to indicate (a) their personal identification with the CEO (e.g., I identify with Ruben Martin), (b) the extent to which they thought he was an effective identity leader (e.g., Ruben Martin acts as a champion for the organization), and (c) their sense that he was charismatic (e.g., Ruben Martin is an inspiring person). As expected, participants identified less with the CEO when he was overpaid relative to other CEOs than when he was relatively underpaid. When the CEO was overpaid, participants also perceived him as being a less effective identity leader and less charismatic, and the results suggested that this was mediated through personal identification with the leader. The study thus provided clear evidence that perceptions of CEO pay can *cause* workers to relate to CEOs differently, and, more specifically, that when CEOs receive very high pay this reduces employees' identification with them and, as a result, leads them to be seen as less charismatic and less effective leaders of "us."

Our second study was designed to see whether these relationships hold when workers are asked to consider their actual (rather than fictional) CEOs. In this, 444 US-based adults who worked either full- or part-time were asked to participate in an online survey of perceptions of their CEO. To measure participants' perceptions of their CEO's pay relative to other CEOs, they were asked to indicate whether they thought that their CEO was one of the top-paid CEOs in the United States as well as how their CEO's pay ranked in comparison to other CEOs (from higher than 0% to higher than 100% of other CEOs). Participants then completed the same scales as in Study 1: their personal identification with their CEO, their perceptions that she or he was an effective identity leader and their perceptions that she or he was charismatic.

In line with the hypotheses, there was a significant negative association between employees' perceptions that their CEO was highly paid and their personal identification with him or her. And again too there was a negative association between perceptions that their CEO was highly paid and their perceptions that this leader was an effective identity leader. Although there was no significant negative association with perceptions of charisma, there was also the expected indirect effect from perceptions of CEO pay to identity leadership and charisma through personal identification. In this way, the study's findings reinforce those of Study 1 in showing that high CEO pay is associated with lower levels of personal identification with him or her on the part of employees, and that this in turn is associated with reduced perceptions of that CEO's identity leadership and charisma (see Fig. 1).

Interestingly, while both studies measured important dimensions of individual ideology—in particular, beliefs in meritocracy and social dominance orientation (SDO)—there was no evidence that these moderated the association between high pay and negative CEO perceptions. So while respondents who reported greater belief in meritocracy and higher SDO expressed higher levels of personal identification with their leader, controlling for these relationships did not weaken the association between high pay and personal identification. There was also no evidence that

these ideological beliefs moderated the pay–identification relationship. While this is inconsistent with our earlier argument that beliefs that CEO pay is (a) fair and (b) a prize awaiting oneself increases worker’s tolerance for high pay, it may reflect our focus on CEOs’ excessive pay relative to other CEOs. Ideology may play a more important role when workers consider whether their CEO’s compensation is excessive relative to their own.

Conclusion

The way in which organizations have chosen to compensate their CEOs has allowed them to reap the benefits of strong organizational performance. While there are a number of neoclassical economic models that provide a strong justification for this state of affairs, there is increasing evidence that it may have negative consequences. In particular, there is some evidence that the enrichment of CEOs and the executive class is implicated in the increase in societal income inequality (especially in the United States). There is also a large body of work that shows that organizations with high levels of pay disparity between the CEO and other high-level managers or workers tend to have poorer outcomes. Indeed, it is rather remarkable to consider that CEO pay has continued to rise in the face of more than 40 years of evidence that it may be harmful for organizational performance.

In this chapter, we sought to extend this work by showing that high CEO pay may directly impair their capacity to perform their core function of leading their organization. Building on social identity theorizing, we presented the results of two studies that provided some quite compelling evidence that CEO pay has real and meaningful implications for workers. In particular, when a CEO is highly paid, it changes the relationship between workers and their CEO such that they perceive the CEO as “one of them” not “one of us,” which in turn reduces their perceptions of the CEO as an effective and charismatic leader. Indeed, this may be a key reason for why other research has found negative effects of CEOs’ very high pay on organizational performance (e.g., Hollander, 1995). Nevertheless, this was not examined in this research and remains an important question for future work to examine how CEO pay (and executive pay more generally) affects actual worker behaviors and leader’s capacity to turn their vision for an organization into reality.

It is also an open question whether evidence of this kind is enough to arrest the rise in CEO pay and, potentially, shrink the gap between them and the typical member of their organization. In this regard, it is interesting to note that there are some moves to increase transparency about the disparity between CEO and worker pay. In particular, the United States requires that public organizations will publish the ratio of CEO to median worker pay from 2019; the United Kingdom will follow in 2020. The hope of legislators is that this visibility will shame organizations into designing more equitable compensation packages. However, historical precedent provides reason for skepticism. In particular, there is some evidence that Canadian legislation mandating that public companies declare their CEO’s pay was actually

associated with an acceleration in the rise in CEO pay, arguably because this facilitated social comparisons between CEOs (e.g., Park, Nelson, & Huson, 2001; see also van Veen & Wittek, 2016). In light of evidence that workers underestimate CEO (and executive) pay by a factor of 20, one likely outcome of increased transparency around pay disparity is the further erosion of the connection between CEOs and their workers and the further spurring of public outrage and shareholder action. In other words, this issue is only likely to become a hotter one, and it is imperative to better understand how (and why) CEO pay affects the performance and well-being of workers, as well as the functioning of societies more generally.

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Gender Inequality in Economic Resources



Clara Kulich and Marion Chipeaux

The gender pay gap, like other pay inequalities, is a major issue in the equal opportunity discourse, legislation, and the media. Every year, on International Women's Rights Day, worldwide statistics about pay disparities are presented as one of the main illustrations of discrimination against women. However, economic gender inequalities go beyond the pay gap. The World Economic Forum (2017) publishes four gender gap indicators, including the economic participation and opportunities index. It shows that women have lower labor force participation, remuneration, and advancement opportunities. All three of these contribute to women having only reached 58% of men's economic power worldwide. At current rates of change, it is estimated that it would take 217 years to achieve economic gender parity if no further measures are taken.

Why should women's disadvantage be of particular concern? Women are more likely to live in poverty for at least two reasons. First, the intersection of female gender and other social markers tends to intensify the negative effects of inequality for women. Their disadvantage increases further when they belong to an ethnic minority, are elderly, divorced, widowed, or a single parent (European Commission, 2018; Fontenot, Semega, & Kollar, 2018; Munoz Boudet et al., 2018). Second, dealing with women's disadvantage goes far beyond the social objective of treating women and men equally. Gender equality in economic resources is linked to multiple positive outcomes affecting society at large, such as poverty reduction and the welfare of children (United Nations, 2009). Furthermore, it is positively related to equitable and sustainable economic growth (Kennedy, Rae, Sheridan, & Valadkhani, 2017; Seguino, 2000).

In this chapter, we will first outline the nature of, and current trends in explaining, economic gender inequality and then provide an analysis of social psychological mechanisms that have enshrined this female disadvantage, defying policies that

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aim to close the gap. We propose that the primary explanatory social psychological mechanisms responsible for the gap are gender stereotypes that view men as powerful actors and primary income earners, and women as secondary earners. We will show that stereotypes affect the people allocating resources to women and evaluating the value of stereotypical feminine or masculine work as well as women themselves (and thus their preferences and behaviors).

The Nature and Current Explanations of Economic Gender Inequalities

A study covering 144 countries revealed that the average annual pay for men (\$21,000) is almost double that of women (\$12,000) (World Economic Forum, 2017). Of course, this ratio varies from country to country, and in Europe, women earn 16.2% less than men (European Commission, 2018). Overall, women are paid less than men in most work domains and at all hierarchical levels, with a widening gap in leadership positions and an increase over lifetime (Kulich, Anisman-Razin, & Saguy, 2015; Manning & Swaffield, 2008). These disparities culminate into a significant gap in pensions at retirement and a lifetime pay penalty. For instance, in Europe, women's pensions are on average 37.2% lower than men's (European Commission, 2018). In Australia, over the course of her lifetime, the average woman earns one million Australian dollars less than the average man (Australian Council of Trade Unions, 2016).

Women's economic disadvantage also has more indirect causes, such as disparities in the budget and funding invested in women's professional activities and careers. For example, female researchers are less likely to secure funding for academic research than men (European Research Council, 2016; Larivière, Vignola-Gagné, Villeneuve, Gélinas, & Gingras, 2011; Ley & Hamilton, 2008). Moreover, women's lower representation in decision-making positions, particularly in politics, contributes to economic disparities. Female politicians and managers have been shown to be more likely than men to enact policies and budget spending that is beneficial to women, children, and the poor, for instance in the domains of education and health care (e.g., Adams & Funk, 2012; Anzia & Berry, 2011; Reingold & Smith, 2012).

Most research seeking to explain gender economic inequalities concentrates on the pay gap. In meritocratic organizations, the basic principle to determine "fair" pay is that comparable work and performances should be remunerated equally (England, 2017). From an economic point of view, human capital factors (i.e., education and job experience) and job characteristics (i.e., task difficulty and level of competence required) should thus determine the level of pay (Scully, 1992). The earliest investigations into the pay gap primarily focused on *human capital differences*, arguing that women earn less due to their lower productivity, which was attributed to a lack of competence and fewer work experiences. In 1980, these human capital differences explained 27% of the pay gap in the United States.

However, recent analyses suggest that women today are better educated than men and have similar job experiences. In 2010, only 8% of the pay gap could be explained by these human capital factors (Blau & Kahn, 2017).

To understand the whole picture of financial inequalities, we therefore need to look beyond these human capital differences. One must also take into account *structural inequalities* in society at large. To begin with, women's labor force participation is lower than men's (66.6 % vs. 78.1% respectively). Moreover, women are more likely to occupy non-standard forms of employment such as part-time and temporary positions (30% for women vs. 8% for men), which typically pay lower hourly wages and are associated with fewer career opportunities (European Commission, 2018). The overrepresentation of women in such forms of employment tends to be due to women's higher participation in household chores and child-care (European Commission, 2018). Finally, women are overrepresented in traditionally female professions (e.g., the services sector, including the care of elderly people, teaching) which are typically paid less than traditionally male professions (e.g., the industrial sector, Blau & Kahn, 2017; Levanon, England, & Allison, 2009). Indeed, this *gender segregation* into different job types accounts for the largest portion of the pay gap today (51% in 2010 vs. 20% in 1980, Blau & Kahn, 2017). It is also the case that male employees in female professions tend to be better paid than their female peers, thereby multiplying women's disadvantage (e.g., nursing, Wilson, Butler, Butler, & Johnson, 2018).

In order to shed light on the factors accounting for the remaining variance of the gender gap (i.e., beyond the impact of human resources and structural factors), scholars have turned their attention toward more psychological variables: *gender discrimination in hiring* (Altonji & Blank, 1999) and *psychological gender differences* such as women's lower pay expectations or risk-taking and competitive behaviors (see for an overview Bertrand, 2011). Quantifying the latter individual-based explanation is difficult, but analysis on UK data suggests that these psychological gender differences may account for about 20% of the pay gap (Manning & Swaffield, 2008).

In sum, existing work suggests that the gender pay gap can, to a large extent, be accounted for by differences in women's human capital, their tendency to cluster in female-dominated occupations and psychological factors that impact how women job applicants are perceived and how women behave. At the same time, however, it is clear that these do not provide the ultimate explanation. To understand why gender discrimination and gender differences in attitudes and behavior occur (as well as human capital and occupational segregation), we need to understand the social norms and stereotypes that ascribe what genders *are* like or *ought* to be like (Arkerlof & Kranton, 2000; Bertrand, 2011; Blau & Kahn, 2017; England, 2017). These underlying social mechanisms are not only relevant to the gender pay gap. They also have the potential to contribute to the understanding of economic inequalities more generally (see also Batruch & Butera, chapter “[The Paradoxical Role of Meritocratic Selection in the Perpetuation of Social Inequalities at School](#)”). Indicators of economic gender inequality are only one of the symptoms of a society characterized by social inequalities more generally. Thus, it is not the quality of the female gender

that makes women a disadvantaged group; rather it is the lower status accorded to women. Women, as well as other low status groups, face the consequences of a general tendency toward a hierarchization of society.

Explaining Economic Gender Inequalities: The Social Factors

Why is gender a predominant factor predicting economic and social inequalities? Gender is a highly visible but also socially relevant characteristic which individuals tend to focus on more easily than other categories such as age, ethnicity, or social class (e.g., Fiske, Haslam, & Fiske, 1991; Haslam, Rothschild, & Ernst, 2000). Thus, when encountering a person for the first time, gender is one of the primary features that will be noticed. Compared to other social groups (e.g., men and ethnic groups), women are the most strongly essentialized category, leading to assumptions that women have “an underlying reality, an essence that makes women what they are” (p. 202, Prentice & Miller, 2007). Women are typically perceived as having positive *warmth*-related qualities, describing them as tolerant and sincere. They are also perceived to have few qualities related to *competence* such as being competitive and independent. The reverse is the case for men, who are associated with lower warmth but higher competence (Fiske, Cuddy, Glick, & Xu, 2002; Fiske & Durante, chapter “**Mutual Status Stereotypes Maintain Inequality**”). Men may thus be believed and expected to be high performers, good negotiators, and interested in financial rewards, whereas women are believed and expected to be more concerned with interpersonal relationships and family than with career or monetary rewards.

On the basis of these findings, we will demonstrate that (1) the allocation of economic resources to individual women (discrimination), (2) the value allocated to work performed by female workers (occupational gender segregation), and (3) women’s own preferences and behaviors (psychological gender differences) are socially constructed.

Stereotypes and the Allocation of Resources

When assessing an employee for promotions or pay rises, there is evidence that people evaluate the employee’s behaviors and traits differently depending on whether they are a man or a woman (Taylor, Fiske, Etcoff, & Ruderman, 1978). Experimental studies have demonstrated that men receive more positive evaluations and better ratings than women for objectively identical outcomes, or behaviors. This is particularly true in typically masculine domains, such as writing an article in a masculine field (Paludi & Bauer, 1983), teaching a physics class (Graves, Hoshino-Browne, & Lui, 2017), designing a house (Proudfoot, Kay, & Koval, 2015), or being a leader (see for a meta-analysis Eagly, Makhijani, & Klonsky, 1992). In addition,

job applicants tend to be rated more highly when they are applying to jobs that are prototypical for their own gender (see meta-analysis by Davison & Burke, 2000).

Following these biased evaluations, one may expect that pay inequalities derive from lower ratings of women's performance in particular in masculine domains. However, whether a good evaluation translates into higher promotional outcomes, or bad evaluations in lower outcomes, depends also on the gender of the evaluated person. Indeed, in a meta-analysis of field studies, it was shown that gender differences in performance ratings do not predict gender differences in economic and promotional outcomes (Joshi, Son, & Roh, 2015). In a similar vein, archival studies on medical doctors (Evers & Sieverding, 2014) and company directors (Albanesi, Olivetti, & Prados, 2015; Kulich, Trojanowski, Ryan, Haslam, & Renneboog, 2011) have shown that individual or company performance was positively related to pay for men, but not for women. These results suggest that economic inequalities are not only a matter of lower income for women regardless of their performance, but that they also exist because women's performance ratings do not translate into financial and promotional outcomes in the same ways as they do for men. Furthermore, when parental status (another gender related social category) is added to the mix, women are at an even greater disadvantage. For example, research has shown that parental status can increase gender financial inequalities, through a higher valorization of parenthood for men than women (Correll, Benard, & Paik, 2007; Fuegen, Biernat, Haines, & Deaux, 2004).

But *why* do these gender differences occur? Two mechanisms may help explain them: *gendered attributional biases* and *performance standards*. Research on performance attributions showed that when women performed well in a masculine domain, their success was attributed to external sources such as luck and effort rather than their ability (Deaux & Emswiller, 1974). Of importance, such external performance attributions were shown to elicit lower promotions and reward allocations than attributions to ability (Heilman & Guzzo, 1978). Thus, the fact that women are not remunerated in relation to their successes or failures may be explained by these biased attributions. Moreover, higher and stricter performance standards, or *double standards*, are applied to female performers. To be considered competent in a male domain, a woman has to perform well on several occasions, whereas a single good performance is sufficient for a man (Foschi, 2000). Thus, women potentially need to show higher performance in order to satisfy the double standard applied to them and to be allocated equal pay. Complementing this, beneficial internal ability-based attributions of performance may be made more readily for men because a stereotypical male-manager, male-doctor, or male-negotiator association exists (Schein, 2001).

Another phenomenon, the *backlash effect* (Rudman & Fairchild, 2004), demonstrates that even if women's competences are acknowledged this is not a guarantee for pay equality because competence-evaluations do not translate straightforwardly into remuneration for women. Women displaying agentic competences, such as self-promotion and negotiating behavior, are less likely to be allocated promotions and additional pay than men because they are perceived to violate social norms of

femininity. Indeed, stereotypes not only provide the content of beliefs by describing group features, they also shape behavioral expectations (Cialdini & Trost, 1998), prescribing certain behaviors and proscribing others (Prentice & Carranza, 2002). Thus, agentic women are perceived as lacking relational traits, being pushy, “unwomanly” and unsympathetic (Kray & Thompson, 2005). As a consequence, women face a dilemma: showing agentic traits and behaviors leads to high competence ratings but low warmth ratings, whereas showing communal traits and behaviors leads to high warmth but low competence ratings (Rudman, Moss-Racusin, Glick, & Phelan, 2012). Both of these profiles impede equal pay.

Economists claim that human capital should determine pay but we have outlined that the evaluation of performance and competences is likely to be biased by stereotypes. Thus, discrimination against women is not an easily visible and conscious violation of meritocratic principles. Evaluators might not be aware that their “objective” assessments of performances are in fact influenced by gender stereotypes. Moreover, even if competence is acknowledged, agentic women are likely to face backlash.

Stereotypes and Job Value

According to meritocratic principles, job characteristics that impose higher difficulty and higher demands on the worker should be related to higher pay. However, as indicated in the previous section, job content is also gendered and likely influences evaluations of women’s and men’s performances. So, why are some domains considered as typically masculine and others as typically feminine? And why are these domains differentially valued?

Sociological theories argue that people’s beliefs about women and men are shaped by the observations they make of the social roles that women and men typically occupy in society (see *social role theory*, Eagly, 1987; Eagly, Wood, & Diekmann, 2000). Thus, seeing women in communal caregiving and inter-relational roles makes the observer assume that women have the corresponding competences which are viewed as typically feminine. In contrast, financial or competition-related contexts, as well as higher power roles are typically enacted by men and thus are seen as demanding masculine competences (Heilman, 2001; Schein, 2001). The two dimensions of stereotypes (warmth and competence) have sociological origins but also reflect more general cognitive representations of social groups: Low status groups tend to be associated with high warmth and low competence, while high status groups are associated with low warmth and high competence (Fiske et al., 2002). As a consequence, activities typically performed by women are generally associated with *lower status* and *value* than activities typically performed by men. For instance, cross-sectional and longitudinal studies have shown that average pay in professions decreases when the share of women entering an occupation increases (US and Western-European countries, Baron & Newman, 1990; Levanon et al., 2009; Murphy & Oesch, 2016). Further, pay is lower the higher the proportion of

working women in a society (panel study across 59 countries Van de Vliert & Van der Vegt, 2004). Together with other work, this suggests that it is not the specific content of an activity which determines its value, but rather the status of the people performing it. Indeed, research has shown that stereotypical feminine job content is associated with lower evaluations, remuneration, and funding compared to stereotypical masculine job content. For example, Vancouver and Ilgen (1989) found that participants expected to perform better on a typically feminine task than a typically masculine one, suggesting that feminine tasks were considered easier. Moreover, in the academic world, research on gender bias was less likely to be funded and to be published in high impact journals compared to research on other types of social discrimination (Cislak, Formanowicz, & Saguy, 2018). This suggests that bias against women was considered less important and research on it was less valued by evaluators.

The lower valuation of women's contributions, typically feminine professions and activities, helps us to understand why feminine professions generally pay less. But why are men paid more and are more likely to be promoted than women even in typically feminine domains, like nursing? Are men evaluated more positively than women even in these domains? Research has shown that in typically feminine domains, men may be rated more favorably than women (MacNell, Driscoll, & Hunt, 2015), but they may also be rated equally (Deaux & Emswiler, 1974), or even less favorably (Davison & Burke, 2000; Vancouver & Ilgen, 1989). This suggests that evaluations are not the only reason for the overpayment of men.

One potential other explanation is that feminine tasks tend to be considered easier and as demanding a lower level of competence (e.g., creativity, Proudfoot et al., 2015). Accordingly, men may be perceived as more likely to succeed. Another related explanation is that lower status individuals (e.g., women) tend to be viewed as sharing a lot of commonalities and thus are generally viewed in more stereotypical ways. In the process, people tend to expect women to conform to group norms more strongly than men (Lorenzi-Cioldi, Eagly, & Stewart, 1995; Stewart, Vassar, Sanchez, & David, 2000). In contrast, higher status individuals are more likely to be perceived as individuals with distinct characteristics and abilities, which gives them higher liberty in the traits and behaviors they can express (Lorenzi-Cioldi, 2006). Consequently, biased processing generally happens more in the evaluation of low than high status individuals (Sekaquaptewa & Espinoza, 2004). Thus, because men are considered as having the possibility to do a greater variety of things, it is easier to accept the idea that they are also good at feminine tasks. Men's performance can therefore be more valued and better paid than women's, as long as men do not engage in activities that violate the masculinity norm of high status (Bosak, Kulich, Rudman, & Kinahan, 2018).

Overall, human capital factors and job content tend to reflect the value associated to the gender group typically performing this work. Encouraging men to perform communal activities and women agentic ones may help to overcome some of the gap. However, gender hierarchization likely remains when men occupy higher status positions than women within a domain.

Stereotypes Affect Women's Pay Attitudes, Preferences, and Performances

The third factor impeding equal pay relates to gender differences in attitudes, preferences, and behavior in the domain of finance. A collection of studies has illustrated that women significantly differ from men in several attitudes such as having lower pay expectations and deservingness perceptions (meta-analysis by Williams, McDaniel, & Nguyen, 2006). Women also differ from men on various psychological attributes such that women display higher risk-aversion, and lower self-confidence, competitiveness, or willingness to negotiate (see for overview Bertrand, 2011; Babcock & Laschever, 2003; Barber & Odean, 2001; Byrnes, Miller, & Schafer, 1999; Croson & Gneezy, 2009; Kray & Thompson, 2005; Prince, 1993). Moreover, women tend to choose feminine educational paths and careers which pay less and are less valued (Chen & Moons, 2015; European Commission, 2018). Finally, they may underperform in negotiations or other masculine performance tasks (Babcock & Laschever, 2003; Mazei et al., 2015). All together, these gender differences contribute to lowering not only women's desire for higher pay, but also their productivity, and may thus have a similar influence on pay as human-capital variables (Le, Miller, Slutske, & Martin, 2011; Mueller & Plug, 2006). Of importance, various social psychological findings show that these individual differences between women and men are highly context-dependent. In particular, certain situations may facilitate self-stereotyping which are particularly likely to prevent women from acting freely.

The main point we will make is that gender stereotypes are not limited to biased evaluations of others, they can also impact self-evaluations (e.g., Beyer & Bowden, 1997; Sinclair, Huntsinger, Skorinko, & Hardin, 2005). Although stereotypical qualities shape both women's and men's self-concepts, thus impacting their cognitions, emotions, and behaviors (Wood & Eagly, 2015), women tend to self-stereotype more than men (Lorenzi-Cioldi, 1991). Social norms and self-stereotyping can make these gender differences disappear or even reverse them, depending on situational factors. We will now review three social mechanisms which can attenuate gender differences: (1) salience of the gender category, (2) social status, and (3) fear of social punishments.

The Salience of the Gender Category The salience of the gender category in a situation will impact on individuals' tendencies to act in stereotypical ways or not (e.g., Tajfel & Turner, 1986). For example, *stereotype threat* research shows that the salience of female gender group membership can make negative stereotypes implicitly accessible to women (e.g., in a negotiation situation one may automatically think of the stereotype that women lack negotiation competences). The resulting threat perceptions associated with the possibility of being unfavorably judged due to women's gender group membership, subsequently leads to impaired performance—perhaps through stress responses which decrease cognitive resources allocated to the task (Kray, Thompson, & Galinsky, 2001; Hoyt & Murphy, 2016; Rubin, Evans & McGuffog, chapter “[Social Class Differences in Social Integration](#)”

at University: Implications for Academic Outcomes and Mental Health”). However, making stereotypes about women’s negotiation incompetence more explicit has been shown to reverse the effect. In this situation, women show reactance, which improves their performance (Kray et al., 2001).

Female gender tends to be particularly salient in masculine contexts, that is counter-stereotypical contexts, which demands competences and behaviors that are perceived as typically masculine (Ridgeway, 2001). Thus, masculine domains such as finance, negotiations, or professional advancement, make gender chronically salient to women, thereby encouraging gender congruent attitudes. Indeed, it has been shown that gender differences in risk aversion, self-confidence, and other attitudes were particularly pronounced in financial matters (for reviews see Kray & Thompson, 2005; Bertrand, 2011). Of importance, such differences disappear—or reverse—in neutral or more feminine contexts such as social decisions (Weber, Blais, & Betz, 2002). Overall, when gender is implicitly salient, through directing women’s attention to their gender category or the diagnostic force of a test, women’s attitudes and behavior likely are contingent to gender stereotypes. However, explicit expression of negative stereotypes such as hostile sexism likely produces resistance in women leading to gender incongruent demonstrations of competence.

Social Status Research showed that people in lower paying jobs tend to show depressed entitlement: that is, to perceive themselves as deserving less pay than high status people perceive they deserved (Pelham & Hetts, 2001). Women are typically found in lower status positions than men. For this reason, it is not surprising that women tend to indicate lower deservingness than men (e.g., Bylsma, Major, & Cozzarelli, 1995; Jost, 1997; Pelham & Hetts, 2001). On this basis, we would expect that psychological gender differences should be attenuated among women occupying high status positions. Indeed, there is work showing that when women are allocated higher status, the difference in depressed entitlement is reduced (Haynes & Heilman, 2013). Similarly, gender differences in risk aversion have been found to be absent in professional populations or even reversed in managerial samples (Adams & Funk, 2012; Croson & Gneezy, 2009). As for pay satisfaction, women tend to be as “contented” as men, despite the pay gap. However, when looking at employees in higher status roles (e.g., managers) women indicate pay dissatisfaction and perceptions of unfairness (Keaveny & Inderrieden, 2000; Kulich, 2008). Finally, women have been shown to choose low paying feminine professions because they think it is unlikely that they will reach high status positions in masculine jobs (Chen & Moons, 2015). To the extent that women stay in low status positions for these reasons, this is likely to reinforce the gender gap in depressed entitlement beliefs.

Social Norm Pressures Negotiating is an agentic behavior violating feminine norms which can elicit negative reactions and consequently lead to lower promotional outcomes (otherwise known as backlash). Women anticipate these social costs and tend to downplay or hide good performance and competence (Rudman et al., 2012). They will also refrain from pay negotiations in order to escape social disapproval (Kray & Thompson, 2005). Indeed, women achieve lower negotiation

outcomes than men and are less likely to initiate negotiations (see meta-analysis by Mazei et al., 2015) due to uneasiness and nervousness (Bowles, Babcock, & Lai, 2007; Babcock & Laschever, 2003). However, when negotiating is framed in a way that is more compatible with female gender stereotypes, such as negotiating on behalf of others, women show more assertive competing behavior, leading to better outcomes even than those achieved by men and by women bargaining for themselves (Amanatullah & Morris, 2010; see also Mazei et al., 2015).

Although economic inequalities can be reinforced by women's self-limiting behaviors, these three social dynamics illustrate that these behaviors are not rigid and enshrined in women's personalities. Rather, they are produced or inhibited by contextual circumstances. Thus, reduction of chronic salience of gender in society and organizations, attributions of higher status to women, and contexts embracing counter-stereotypical behavior can contribute to decrease the financial gender gap.

Implications and Interventions

Economic inequalities go beyond social class or socioeconomic status. Memberships in other social groups such as female gender are important correlates. In this chapter we illustrated that economic gender inequalities arise from a complex interplay of hiring bias, devaluation of women's work, and gender differences in how men and women react to work and financial contexts. Gender stereotypes create the social reality in which performance ratings become biased and pay-performance relations deviate from meritocratic principles. The value of job content is affected by the value associated with the social groups typically enacting it, and women's self-limiting behaviors arise from the constraints imposed by gender norms.

What are the implications of the pay gap for women and for income inequality more generally? And how should these inequalities be tackled? Gender inequality is part of society due to several derivatives of women's lower economic status. Lowly (compared to highly) paid individuals are perceived as less competent and more warm (Johannesen-Schmidt & Eagly, 2002), which reinforces stereotypical perceptions of women who are chronically paid less. In addition, women's lower political and managerial empowerment in a world largely dominated by male decision-makers puts women in a disadvantaged position as concerns promotional outcomes. Indeed, people tend to take ingroup favoring evaluative and allocation decisions and show less support to outgroups (Bodenhausen, Kang, & Peery, 2012), with individuals in powerful positions being particularly prone to express such bias (Goodwin, Operario, & Fiske, 1998).

Thus, as long as men largely determine the distribution of economic resources and advancement opportunities, it will be difficult for women to progress. For women, gaining higher status, for example, through occupational mobility, may attenuate some gender differences in self-advocacy, confidence, or entitlement beliefs. However, if this advancement is not accompanied by higher pay (cf.

widening pay gap in managerial positions), their work likely will be less valued. In the same vein, performance expectations and willingness to accept their influence will be lower (Ridgeway, 2001). Thus, even if women gain positions of higher power due to their economic disadvantage, they are put into more difficult positions compared to men, and likely refrain from engagement in, potentially higher paying, masculine domains due to anticipating disadvantaged treatment (Chen & Moons, 2015).

We suggest three keys to economic gender equality. First, providing equal promotional and remuneration conditions would motivate more women to engage in masculine domains and to gain access to higher paying jobs, thereby shrinking the gender pay gap. As outlined above, giving women higher decision-making power may also be beneficial for disadvantaged social groups. Recent research suggests that female managers tend to pay more equally than male managers, when pay is left to the discretion of the manager (Abraham, 2017). Several studies further revealed positive effects of female managers on gender equality in terms of pay and promotions among lower ranks (Norway, Kunze & Miller, 2017; see for a review Kulich et al., 2015). The increase of female representation in higher level positions may thus be an intervention to combat gender pay inequalities.

The second keys are the societal and organizational climates in regard of gender. An increase in the number of women may not automatically lead to positive outcomes in terms of equality. Women's presence should be accompanied by valuing (gender) diversity in the organization. Indeed, negative effects, such as senior women being less supportive of other women, have been shown to occur when women feel discriminated against in the workplace (Derks, van Laar, & Ellemers, 2016). Conversely, pro-diversity organizational cultures have been shown to be associated with higher support among women and ethnic minorities (Paustian-Underdahl, King, Rogelberg, Kulich, & Gentry, 2017). Moreover, such a measure could avoid chronic salience of harmful gender stereotypes and thus, underperformance due to harmful backlash and stereotype threat effects. Establishing a context where women can act in congruency with gender stereotypes, such as negotiating for their work teams (gender congruent) instead for the self, could counteract women's negotiation penalty. Another intervention could be to remunerate work in accordance to work inputs, rather than in relation to negotiation success which likely disadvantages women (Kulich et al., 2015).

The third key is transparency of the distribution of economic resources. Transparency obligations force employers, or funding bodies, to analyze their resource distributions in terms of gender and become aware of and prevent gender gaps. The establishment of transparent fixed pay-scales has been shown to efficiently attenuate the gender pay divide (see overview by Abraham, 2017). Legislation demanding firms to provide wage statistics for both genders may be particularly effective policy. A study with Danish firms recently revealed that it resulted in a significant reduction of the gender pay gap (Bennedsen, Simintzi, Tsoutsoura, & Wolfenzon, 2018). Furthermore, companies with higher transparency of recruitment methods tend to employ higher portions of women (Reskin & McBrier, 2000). Moreover, it helps victims of economic discrimination to obtain the information

necessary to prove and effectively enforce their rights. In addition, knowing negotiation ranges also give women the confidence to make higher pay demands thereby leading to the attenuation of gender differences in negotiations (Mazei et al., 2015). Transparency of clear criteria that link objective standards to the access of economic resources would help those who are disadvantaged to overcome system justifying beliefs and to confront unequal treatment (Kray et al., 2004, 2005). Indeed, women and other low status individuals tend to be reluctant to attribute personal bad outcomes to discriminatory acts if performance-outcome relations are ambiguous (Ruggiero & Taylor, 1995). Beliefs that justify or legitimize social hierarchies, and meritocratic beliefs lead those disadvantaged to accept their social position and to refrain from confronting the discriminatory system (Jost & Kay, 2005; Pelham & Hetts, 2001; O'Brien, Major, & Gilbert, 2012). Finally, transparency may also be a sign of a more (gender) egalitarian organizational climate, attracting more women and minorities.

Conclusion

We argued here that dealing with gender inequality in economic resources can have beneficial consequences for all members of society. The reasons for inequality are to be found in a complex interplay of social factors leading to biased perceptions of women, job characteristics, and to self-limiting behaviors of women. Thus, interventions and policies should not aim on changing individual women's attitudes and behaviors but rather the social system in which women are disadvantaged.

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Societal Income Inequality and Coping with Work-Related Economic Stressors: A Resource Perspective



Lixin Jiang and Tahira M. Probst

According to every major statistical and economic indicator, income disparities between the rich and the poor have markedly increased over the past three decades. For example, within the United States, the share of total income held by the top 1% increased from 8.9% in the early 1970s to 22% by the early 2000s (Saez, 2013). Corresponding disparities in income growth over time have been seen as well. In the period from 1979 to 2013, income grew nearly 40% for individuals in the bottom 20% of U.S. households; yet, households in the top 1% saw their income grow a staggering 200% during that same period (Congressional Budget Office, 2016). Such societal income inequality is not confined to the United States. Individuals in over 70% of the global working population each own less than \$10,000 in wealth. On the other hand, the wealthiest individuals (i.e., those with \$100,000 or more in assets) account for 86% of the overall global wealth (Credit Suisse Research Institute, 2017).

At the same time, workers within the United States (Kalleberg, 2013) and globally (Jütting & de Laiglesia, 2009) have seen growing labor market trends in favor of precarious and unstable forms of unemployment, weakened governmental and union protections for workers, and increasing concentrations of workers in low skills and low wage positions. Such trends, coupled with intermittent economic shocks such as the 2007–2008 global recession, its lengthy aftermath, and slow recovery, have resulted in workers today facing numerous forms of economic stressors related to their income and employment. The purpose of this chapter is to examine how rising societal income inequality might affect the way in which employees cope with work-related economic stressors.

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We begin this chapter by presenting a typology of work-related economic stressors and discussing some of the most commonly examined economic stressors. Next, we integrate the latent deprivation model (Jahoda, 1981) and conservation of resources theory (Hobfoll, 1989) to explain how and why economic stressors have detrimental health and well-being outcomes for individuals. Finally, we posit that societal income inequality serves as a contextual stressor that exacerbates the already negative outcomes associated with economic stressors.

Work-Related Economic Stressors

Stressors are defined as environmental situations or events that are capable of producing negative reactions in an individual. The negative reactions to a stressor, which can be psychological, physical, and/or behavioral in nature, are referred to as strain. In other words, stressors are stimuli or conditions that place demands on individuals leading to potential strain outcomes. Voydanoff (1990; also see Probst, 2005; Probst, Sinclair, & Cheung, 2017; Sinclair & Cheung, 2016; Sinclair, Sears, Probst, & Zajack, 2010) first defined *economic stressors* as “aspects of economic life that are potential stressors for employees and their families” (p. 1102). Commonly researched economic stressors include (1) unemployment and underemployment, (2) job insecurity, (3) economic/financial deprivation, and (4) perceived economic/financial inadequacy (Probst et al., 2018).

In her seminal work, Voydanoff (1990) created a typology to categorize these stressors based on whether they are (a) objective versus subjective in nature and (b) employment related versus income related. For example, unemployment and underemployment are objective employment-related stressors, whereas perceived job insecurity is typically considered a subjective employment-related stressor, that is, one that is largely “in the eye of the beholder.” Similarly, economic/financial deprivation concerns one’s objective, real inability to meet current financial needs (e.g., living below the poverty line), whereas perceived economic/financial inadequacy concerns the perceived inadequacy of one’s economic/financial resources. For example, a family of four might have an objectively high per capita household income, but individuals in that household might still perceive financial inadequacy due to high levels of debt, student loans, and/or living beyond one’s means.

Research indicates that both objective and subjective income- and employment-related economic stressors represent potentially potent sources of stress for employees and their families. Interestingly, while both types of stressors are important, research suggests that subjectively appraised stressors may be more predictive of outcomes than objective ones. For example, because basic needs (e.g., food and shelter) are often already satisfied in higher-income nations (Deaton, 2008; Grable, Cupples, Fernatt, & Anderson, 2012), perceived inability to afford desired or nonessential items is argued to be a better measure of economic difficulties and financial satisfaction (Layte & Whelan, 2009). In a study of employees undergoing an organizational merger, Probst (2003) found that perceptions of job insecurity were more

predictive of physical health and psychological distress than objective assessments of the extent to which those employees' jobs would be affected by the merger. Similar findings have also been demonstrated in medical settings (e.g., Hamama-Raz, Solomon, Schachter, & Azizi, 2007), where subjective factors (e.g., patients' cognitive appraisals of a medical diagnosis as threatening) were more predictive of psychological adjustment than objective factors (e.g., disease stage). Below, we present a resource-based theoretical perspective to explain why and how economic stressors result in negative health and well-being outcomes, and then discuss how societal income inequality may moderate these relationships.

Why Are Economic Stressors Stressful? A Resource Perspective

Based on the latent deprivation model proposed by Jahoda (1981), employment provides both latent and manifest benefits. Manifest benefits include income obtained via employment to allow daily maintenance and activities whereas latent benefits include collective purpose (i.e., making a meaningful contribution to the society), social contact (i.e., socialization with people outside the nuclear family), status (i.e., reflecting one's place in the society), time structure (i.e., purposeful time use), and activity (i.e., engaging in organized activities). As such, the latent deprivation model argues that the threats to the manifest and latent benefits of employment and incomes are the underlying mechanisms through which economic stressors might lead to negative outcomes.

Conservation of resources theory (COR; Hobfoll, 1989), on the other hand, posits that individuals are motivated to maintain, foster, and protect resources. Psychological stress might occur under three conditions. First, individuals may be threatened with the possibility of resource loss. Second, individuals may actually lose valuable resources. Third, individuals fail to gain resources after resource investment. COR theory categorizes resources into objects, conditions, personal characteristics, and energies, which are valued in their own right or serve as a means for obtaining other valued resources. Object resources include items with a physical presence (e.g., housing) and items indicative of status (e.g., jewelry). Condition resources (e.g., marriage and seniority) are states that allow individuals to gain access to other resources. Personal characteristics include learned skills and traits (e.g., self-esteem). Last, energies (e.g., time, money, and knowledge) can be exchanged or used in an attempt to acquire other resources. Both subjective (e.g., worries about potential job loss and perceived financial stress) and objective (e.g., announced layoff, pay cut, or demotion) economic stressors have the potential to lead to the loss or threat of loss of these important resources.

Integrating latent deprivation model (Jahoda, 1981) and COR theory (Hobfoll, 1989), stable employment can be viewed as a condition resource, which is valued by employees not only for its own purpose (Warr, 1987) but also for its ability to facilitate the attainment of other valuable resources including both manifest and

latent benefits (e.g., housing, food, clothing, income, social status, and respect). Therefore, unemployment may lead to negative consequences because the unemployed actually lose important resources in the form of employment and other key resources and benefits (Jahoda, 1981). Indeed, meta-analyses showed that unemployed individuals report lower physical and psychological well-being than do their employed counterparts (McKee-Ryan, Song, Wanberg, & Kinicki, 2005; Paul & Moser, 2009). Creed and Macintyre (2001) found that the deprivation of both latent and manifest benefits predicts decreased well-being in a sample of 248 unemployed individuals. Together, it suggests that losing both latent and manifest benefits as a result of unemployment might be the underlying mechanism for the relation between unemployment and detrimental outcomes.

Underemployment, by comparison, is a situation where a person has invested their resources (e.g., time and energies to obtain higher or vocational education; Feldman, 1996) but failed to receive expected resource gains (e.g., employment that fits with one's full working capacity and accompanied income and social status; also see person-job fit; Kristof, 1996). Thus, based on COR theory, underemployment might also be related to negative outcomes. Indeed, underemployment is associated with work-related outcomes, including reduced job satisfaction and organizational commitment but increased employee withdrawal, as well as well-being outcomes, including psychosomatic symptoms, depression, reduced mental health, and lower optimism (McKee-Ryan & Harvey, 2011).

The last employment-related economic stressor is job insecurity or the perceived possibility of job loss. In other words, an employed individual is faced with the potential of job loss in the form of stable employment and its associated resources (e.g., income). As such, COR theory proposes that job-insecure individuals might suffer from adverse outcomes. In support of this, a recent meta-analysis documents over 40 negative consequences of job insecurity, including decreased psychological and physical health and increased burnout and strain outcomes (Jiang & Lavaysse, 2018). In terms of underlying mechanisms from the resource perspective, job insecurity was found to threaten both manifest and latent benefits, which, in turn, were related to subsequent health complaints (Vander Elst, Näswall, Bernhard-Oettel, De Witte, & Sverke, 2016).

In addition to the negative consequences of employment-related economic stressors, COR theory posits that both subjective and objective income-related economic stressors are harmful because individuals who actually lack monetary resources (i.e., objective economic deprivation) or perceive insufficient monetary resources (i.e., perceived financial inadequacy) are more likely to experience adverse outcomes, because these monetary resources are necessary to acquire other valued resources for survival and comfort. In line with COR theory, low-income individuals report poor psychological, psychological, and cognitive functioning (Lynch, Kaplan, & Shema, 1997) and more depressive symptoms (Brett, Cron, & Slocum, 1995; Chou, Chi, & Chow, 2004; Deaton, 2008; Ford, 2011; George & Brief, 1990; Kim & Garman, 2003; Pereira & Coelho, 2013; Shaw & Gupta, 2001).

Similarly, previous research demonstrates that perceived financial inadequacy is a robust predictor of health outcomes. For instance, individuals in more fragile

financial positions have lower psychological well-being (Pereira & Coelho, 2013; Starrin, Åslund, & Nilsson, 2009) and a higher risk for health problems (Horwitz, 1984; Lundberg & Fritzell, 1994; Pihl & Starrin, 1998). A recent study using data from Northern Irish low-income households found that subjective financial inadequacy had a robust relationship with most aspects of health while objective financial deprivation (i.e., the size of the debt, the type of debt or the number of different lenders) did not add any extra explanatory power (French & McKillop, 2017).

In sum, the theoretical foundations provided by COR theory and latent deprivation theory explain why we would expect to observe adverse employee reactions in response to economic stressors. This, coupled with the overwhelming empirical evidence demonstrating that economic stressors have significant health and well-being implications for employees, has led researchers to increasingly argue the need to better understand contextual variables operating at multiple levels of analysis (e.g., individual, organizational, and societal) that might serve to exacerbate these adverse effects. Below we argue that societal income inequality represents one such important social, macroeconomic, and contextual variable.

Does Societal Income Inequality Worsen the Consequences of Economic Stressors?

While the body of research reviewed above documents the adverse effects of economic stressors for individuals, scholars also argue that an individual's reaction to economic stressors can be influenced by multiple contextual systems operating at different levels of analysis (Jiang & Probst, 2017; Jiang, Probst, & Sinclair, 2013; Probst et al., 2017; Sinclair et al., 2010; Shoss & Probst, 2012). Specifically, Johns (2006, p. 386) defined contextual influences as "situational opportunities and constraints that affect the occurrence and meaning of organizational behaviors as well as functional relationships between variables." Indeed, Probst et al. (2017) called for more research in the area of economic stress to examine how contextual variables, including income inequality, may influence individuals' reaction to various economic stressors.

Income inequality at the societal level (e.g., country) is the extent to which income is distributed unevenly among members of a group. Under the condition of high-income inequality, individuals perceive themselves to be deprived of desirable resources in relation to their counterparts in the wider society (Wilkinson & Pickett, 2008). Not surprisingly, societal income inequality has been conceptualized as a contextual stressor that has damaging effects on societies, including physical and mental health, drug abuse, education, imprisonment, obesity, social mobility, trust and community life, violence, teenage pregnancies, and child well-being (Wilkinson & Pickett, 2007, 2009).

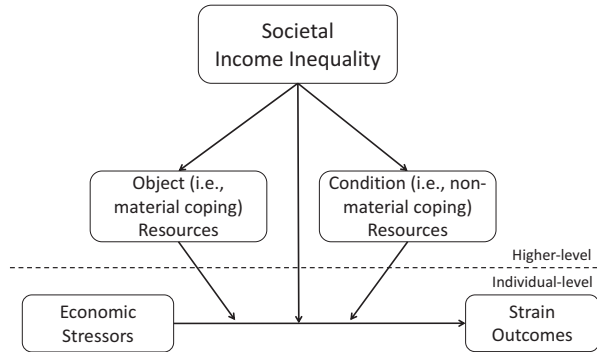
Resource-based theories across many disciplines (e.g., cognitive psychology, Kahneman, 1973; community psychology, Tilman, 1982; economics, Olalla, 1999; social psychology, Jaško & Kossowska, 2013) emphasize that resources that are

available to an individual are crucial in determining how the individual adapts to the surrounding environment. For example, using a social identity approach based on social identity theory (Tajfel & Turner, 1979) and Self-Categorization Theory (Turner, Hogg, Oakes, Reicher, & Wetherell, 1987), Jetten and colleagues (Jetten et al., 2017) argue that individuals can be expected to have more negative reactions to economic inequality when they believe that it is difficult to move up in society (i.e., a lack of upward mobility; Day & Fiske, chapter “[Understanding the Nature and Consequences of Social Mobility Beliefs](#)”; Wang, Jetten, & Steffens, chapter “[Do People Want More Wealth and Status in Unequal Societies?](#)”) and that the existing inequality is due to illegitimate factors such as corruption or nepotism. In addition to supporting the positive relation between economic stressors and negative outcomes at the individual level, COR theory also provides a rationale for expecting a cross-level exacerbating effect of societal income inequality on one’s reactions to economic stressors. According to COR theory (Hobfoll, 2001), individuals are embedded within their social contexts; these social contexts may threaten people’s resources; and those who lack resources are more vulnerable to resource loss.

As an extension of Hobfoll’s work, ten Brummelhuis and Bakker (2012) explicitly define contextual resources as those in the social context of the individual and outside the self- and macroresources—a subset of contextual resource—as variables in the larger economic, social, and cultural system in which a person is nested. Thus, macrolevel contextual resources, such as public policies on the availability of public childcare, tend to be stable and not under individuals’ control. Moreover, macrolevel contextual resources determine “the extent to which individuals need to call upon resources that are more directly in their reach and the extent to which other resources can be used effectively” (p. 548). Accordingly, they identify social equality as an example of macrolevel contextual resources. As such, we argue that societal income inequality, the opposite of social equality, can threaten one’s ability to reach both *object* and *condition* resources (ten Brummelhuis & Bakker, 2012), which might serve as two explanatory mechanisms underlying the expected exacerbating effect of income disparity on the above illustrated relation between economic stressors and strain outcomes (Fig. 1).

First, higher income inequality with greater disparity between the “haves” and the “have-nots” within society is indicative of societal distributive injustice (Zafirovski, 2005). Such inequality may be a function of deeply embedded cultural values. For example, income inequality at the country level is positively associated with power distance (Hofstede, 1997) because high power distance culture where individuals in a society accept inequalities in power, status, and resources (Hofstede, 2001) deems social inequality (e.g., income inequality) as legitimate and even preferable. Societies with high-income disparity are more likely to have fewer employment protections, an absence of labor standards, shorter duration of unemployment benefits, and lower union density and coverage (Zafirovski, 2005). On the other side of the coin, societies with low-income inequality are likely to offer more societal resources (e.g., the availability of employment opportunities, government financing, and dislocated worker programs; Hobfoll, Briggs, & Wells, 1995) and/or have policies in place that offer a social safety net for those experiencing unemployment (e.g., better access to

Fig. 1 A conceptual model



high-quality health care; Debus, Probst, König, & Kleinmann, 2012). In this situation, even if an individual becomes unemployed or faces the possibility of resource loss in the form of employment and/or income, he/she may feel less threatened. As such, greater income inequality may inhibit the obtainment of *object* (i.e., *material coping*) resources for those who are faced with economic stressors.

Thus, within the context of high income inequality, individuals who are confronted with actual and/or perceived employment- and/or income-related economic stressors suffer more negative consequences than those within the context of low-income inequality in that their already difficult situation of having to contend with the threat of losing the valuable latent and manifest benefits of employment and income becomes even worse when they do not expect to have equal opportunities to regain adequate monetary resources and sustain themselves during any unexpected periods of economic stress. In other words, because income inequality threatens one’s obtainment of object resources, income inequality can be expected to moderate (i.e., exacerbate) the impact of economic stressors.

Second, income inequality may categorize individuals into the rich and the poor (Osborne, Garcia-Sanchez & Sibley, chapter “[Identifying the Psychological Mechanism\(s\) Underlying the Effects of Inequality on Society: The Macro-Micro Model of Inequality and Relative Deprivation \(MIREd\)](#)”) and thereby divide community members (Putnam, 2000). According to social identity theory and self-categorization theory, whether a person provides support for another depends on whether he or she is perceived by the support provider as an ingroup member (Haslam & Ellemers, 2011). Thus, because of social categorization between the poor and the rich, the rich with resources are less likely to help the poor who are considered outgroup members compared to their ingroup members, that is, others who are wealthy. Indeed, figures (Stern, 2013) indicate that individuals in the upper 20% of income donate proportionally far less of their income to charity (only 1.3%) compared to those in the lower 20% who donate nearly three times as much proportionally (3.2%).

Not surprisingly, having access to a supportive system can mitigate the negative effects of job insecurity (e.g., its impact on life satisfaction; Lim, 1996). Similarly, supervisor support is a protective factor for individuals who experience underem-

ployment (Johnson & Johnson, 1992) and supportive and affiliative relations with one's spouse, friends, and relatives can buffer against the negative impact of unemployment on cholesterol, illness symptoms (Gore, 1978). As such, lacking support from wealthier segments of society might also exacerbate one's reactions to economic stressors. Moreover, income inequality may make people trust others less (Elgar, 2010; Ichida et al., 2009). Under high-income disparity, individuals are more interested in "keeping up with the Joneses" at the expense of trust and social cohesion (Wilkinson & Pickett, 2009; Wang et al., chapter "Do People Want More Wealth and Status in Unequal Societies?"). Indeed, Oishi, Kesebir, and Diener (2011) found that the perceptions that other people were less fair and trustworthy explain the negative relationship between income disparity and happiness. However, trust in management can attenuate the relationships of job insecurity with employee burnout, psychological distress, job satisfaction, and organizational commitment (Jiang & Probst, 2018). Thus, a lack of trust in the rich may also worsen one's responses to economic stressors. Taken together, because income inequality impedes the obtainment of *condition* (i.e., *nonmaterial coping*) resources (e.g., supportive relationships and trust), it may aggravate the positive relationship between economic stressors and individual strain responses.

According to COR theory, broader social trends provide a sociocultural backdrop that interacts with variables at more meso- and microsocial levels to pose a threat to or cause a depletion of individual resources. Because greater income inequality may hamper the obtainment of object (i.e., material coping) and condition (i.e., nonmaterial coping) resources (ten Brummelhuis & Bakker, 2012), those who are faced with economic stressors and therefore more vulnerable to contextual threats may experience more negative consequences as a result of economic stressors. In the presence of low-income inequality, the available object and condition resources may equip individuals to adaptively cope with economic stressors and consequently experience relatively low levels of adverse outcomes resulting from economic stressors (ten Brummelhuis & Bakker, 2012). In contrast, individuals exposed to the environmental stressor of greater income inequality posing a threat to their object and condition resources may be more susceptible to other threats of resource loss (e.g., economic stressors). Therefore, we argue that higher societal income inequality may serve as a contextual stressor to have a cross-level exacerbating effect on the relationship between individual-level economic stressors and negative outcomes.

In our own work, we applied this argument to one economic stressor: job insecurity. In particular, we examined whether income inequality exacerbated the positive relationship between job insecurity and burnout (Jiang & Probst, 2017). Study 1 did this by examining the moderating role of country-level income inequality on the individual-level relationship between job insecurity and burnout. We obtained employee job insecurity and burnout at the individual-level from the 2005's International Social Survey Program (ISSP Research Group, 2016). We obtained income inequality data—the Gini index—at the country-level from the Standardized World Income Inequality Database (Solt, 2009). Combining the individual-level data with the country-level data led to 23,778 individuals nested in 30 countries.

Using hierarchical linear modeling (Raudenbush & Bryk, 2002), we found that the cross-level interaction between individual-level job insecurity and country-level income inequality had a marginally significant effect on employee burnout. Specifically, the relationship between job insecurity on burnout was stronger among employees in greater income-inequality countries compared to those in countries with less inequality.

As an extension of Study 1, Study 2 conceptualized income inequality at the state-level rather than the country-level where individual employees are first nested in their state, which is further nested in the country. Because country-level income inequality is more distal than state-level inequality, we anticipate a larger effect of the cross-level interaction within the context of state-level inequality (Study 2) than the context of country-level inequality (Study 1). Thus, Study 2 similarly examined the moderating role of state-level income inequality in the individual-level relation between job insecurity and burnout. We collected individual-level job insecurity and burnout data from employees in the United States using Mechanical Turk. State-level data of income inequality came from the County Health Rankings and Roadmaps program (2015). Combining the individual-level dataset with the state-level dataset resulted in 402 individuals nested in 48 states in the United States. We used the same analytic strategies as in Study 1 and found a significant cross-level interaction effect of the individual-level job insecurity and state-level income inequality on employee burnout. Compared to the variance explained by the country-level income inequality in the job insecurity-burnout slope in Study 1 (20%), the state-level income inequality explained more variance in the job insecurity-burnout slope in Study 2 (44%). Together, this work suggests that the psychological demands placed on employees as a result of job insecurity are compounded when they occur in a context of economic inequality.

Conclusion

The past several decades have seen significant changes in the nature of work with organizations moving away from traditional psychological contracts exchanging hard work and loyalty for secure employment toward increasingly precarious and less stable forms of employment. Despite many of the world's economies slowly emerging from the aftermath of the most recent global economic recession, workers indicate that they face continuing and pervasive economic stressors as well as a decreased sense of security and reduced optimism regarding their future job opportunities (Grusky, Western, & Wimer, 2011). Indeed, surveys such as those administered by the American Psychological Association (2016) find that respondents consistently rank money, work, and the economy as their top sources of stress.

While much of the economic stress research stemming from the organizational psychology literature has understandably focused on delineating individual employee responses in reaction to these economic stressors, the purpose of this chapter was to highlight the role that a societal-level variable, namely, income

inequality, may play in better understanding these individual-level processes. Specifically, theorizing based on Conservation of Resources theory (Hobfoll, 1989; ten Brummelhuis & Bakker, 2012), coupled with empirical evidence (e.g., Jiang & Probst, 2017), appears to suggest that societal income inequality, in addition to having direct negative consequences, may also serve to further exacerbate the numerous adverse effects of economic stressors.

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A Rising Tide Lifts Some Boats, but Leaves Many Others Behind: The Harms of Inequality-Induced Status Seeking and the Remedial Effects of Employee Ownership



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Introduction

“A rising tide lifts all boats” (an aphorism attributed to J.F. Kennedy) is commonly used by advocates of economic growth to suggest that a growth in wealth should benefit everyone in a society. While this claim may be intuitively appealing, it is not well supported by the evidence. In particular, the almost continuous growth in national wealth in Western societies over the past few decades has seen wealth and income become increasingly concentrated in the hands of those at the top end of the wealth distribution, leaving the rest with relatively little (e.g., Piketty, 2014). A dramatic illustration of this trend is provided by a comparison of pay to CEOs and other employees: in 2017, the mean annual compensation package for FTSE100 CEOs amounted to £5.7 million (CIPD, 2018), 199 times more than the £28,677 received by the median UK worker (ONS, 2017). The slogan coined in the 2011 Occupy Wall Street protest movement—“We are the 99%”—clearly depicts the perceived polarization of wealth distribution in the United States. This real and perceived inequality creates the impression that societal wealth is a zero-sum game. In other words, the tide that lifts some boats does so at the expense of others (Friedman & Friedman, 1990). In this chapter, we posit that such a socio-economic context heightens competition and social comparisons, which in turn lead to two related psychological processes aimed at securing a respectable place in an unequal society: status seeking and self-esteem pursuit. We illustrate the costs of these processes by reviewing empirical findings from the organizational context as work pay systems tend to replicate and perpetuate societal inequality. We finish by highlighting the remedial

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effects that employee ownership and democratic work organization can have on the harmful psychological consequences triggered by inequality.

Economic Inequality Increases Competition and Social Comparison, Instilling Status-Seeking and Self-Esteem Pursuit

Economic inequality amplifies differences among people. Large gaps in wealth also lead to vast differences in access to valuable opportunities for educational attainment, career development, and social and political influence. The very unequal division of these valuable resources gives rise to a steep social gradient, with large distances between the levels of a social hierarchy. In Western societies (vs. autocracies), which are organized around the principles of democracy and the market economy, social hierarchies are relatively unstable and some level of social mobility is possible. Although high inequality undermines social mobility (Corak, 2013), public opinion research revealed that there is an enduring belief in the meritocratic foundation of Western societies and individuals pursue social mobility encouraged by (perceived) hierarchical instability (Davidai, 2018; Solt, Hu, Hudson, Song, & Yu, 2016; see also Augoustinos & Callaghan, chapter “[The Language of Social Inequality](#)”; Fiske & Durante, chapter “[Mutual Status Stereotypes Maintain Inequality](#)”). Hierarchical instability, whether real or perceived, has been linked to increased competition due to opportunities for upward mobility and risks of sliding down the social ladder (Case & Maner, 2014; Hays & Bendersky, 2015; Sommet, Elliot, Jamieson, & Butera, 2018; Zink et al., 2008; see also Scheepers & Ellemers, chapter “[Status Stress: Explaining Defensiveness to the Resolution of Social Inequality in Members of Dominant Groups](#)”). As competition over rank is inherently relative in nature, inequality has been shown to also intensify social comparison (Cheung & Lucas, 2016).

Social comparison is a key mechanism through which people draw inferences about their own relative standing on important dimensions (Corcoran, Crusius, & Mussweiler, 2011; Festinger, 1954; Mussweiler, 2003). There is a growing body of evidence that social comparison can occur with both similar and very different others, and does so intentionally, unintentionally, or even outside of conscious awareness (Mussweiler, Rüter, & Epstude, 2004a). The nature of social comparisons (whether intentionally chosen or induced by the surrounding social environment) influences self-evaluation and self-esteem (Langer, Pirson, & Delizonna, 2010). The outcomes of social comparison depend on who the self is compared against (Mussweiler, Rüter, & Epstude, 2004b). Comparisons with moderately different others lead to an assimilation effect whereby the self-evaluation is pulled toward the level of the target, increasing perceptions of similarity. For instance, following a comparison with a moderately wealthier target, an individual with an average income feels wealthier themselves (Bratanova, Loughnan, Klein, Claassen, & Wood, 2016). Conversely, comparisons with extremely different others lead to a

contrast effect whereby the self-evaluation is pushed away from the level of the target, increasing perceived dissimilarity (Mussweiler et al., 2004b). That is, following a comparison with an extremely wealthier target, an individual with an average income would feel much poorer than they felt before the comparison (Bratanova et al., 2016). In more equal societies we can therefore expect that social comparison would more often result in assimilation, further increasing a sense of similarity and common fate among citizens. Greater overall similarity also allows individuals to derive more stable self-evaluations, reducing the urge to compare the self with others. Unequal societies, on the other hand, offer examples of social targets who possess vastly different financial resources, career achievements, and lifestyles. The exposure to a wide range of targets for comparison can result in both assimilation and contrast effects, depending on the degree of differences between individuals and their targets for comparison. This makes it hard to derive stable evaluations of one's own abilities and performance as such evaluations can change dramatically as the social context changes. The instability of self-evaluation can further heighten engagement in social comparison in unequal societies, increasing individuals' self-conscious feelings, insecurity in themselves, and concern about their relative position (Buunk & Gibbons, 2007; Lampi & Nordblom, 2010).

Inequality thus drives social comparison and competition in a tightly intertwined way. In particular, a context of inequality can increase competition by heightening the motivational and self-regulatory processes served by social comparison (Collins, 1996; Festinger, 1954; Taylor & Lobel, 1989). Festinger (1954) argued that individuals are motivated by a unidirectional drive upward, and engage in self-regulation processes aimed at improving themselves and becoming better than their current level of performance and the targets with whom they compare themselves. This motivation for improvement is often interpreted to mean a preference for upward social comparisons, and desire to affirm one's superiority by outperforming others (Garcia, Tor, & Schiff, 2013). Unequal societies by definition have citizens with extraordinary amounts of wealth, and to the extent that wealth is a central dimension for comparison in such societies (Wilkinson & Pickett, 2018; Walasek & Brown; chapter "Income Inequality and Social Status: The Social Rank and Material Rank Hypotheses"), the presence of others who are much better-off can pose a (potentially unsurmountable) challenge to affirming one's superiority. Where this leads to an unsated desire for superiority affirmation, it may instill perpetual social comparison and competition.

While wealth and other material resources are an important basis for competition in unequal societies, a number of authors have argued that status—one's relative rank in the social hierarchy—is the ultimate marker of success, and therefore the object of most intense competition (for a review, see Marmot, 2005; Wilkinson & Pickett, 2018). A high-status position comes with a range of benefits, including respectful treatment, admiration, and attention of others (for a review, see Paskov, Gërkhani, & van de Werfhorst, 2013). Such favorable treatment can open doors to social and economic opportunities, including a privileged access to scarce resources. Indeed, research has shown that a high status position is associated with greater amount of material resources, more extensive social capital, autonomy and control,

as well as better health and well-being (for reviews, see Blader & Yu, 2017; Wilkinson & Pickett, 2018). While linked to material resources, status competition has a distinctly social flavor: status is conferred by others and requires perceivers' recognition of one's superiority over others. To gain status conferral, individuals compare the self to those in higher positions and exert efforts to outcompete them in order to demonstrate a superior social standing (Elliot, 2006). Recent findings demonstrate the key role of inequality in heightening status concerns: people in more unequal societies emphasize the importance of being successful, respected, and admired to a greater extent (Paskov et al., 2013), and are more likely to fear being looked down upon by others (Layte & Whelan, 2014). However, not all achievements are equally relevant for status acquisition. Below we review empirical findings on what domains are considered most fertile for acquiring status.

A large body of behavioral and neuroscientific evidence has revealed that inferences of status can be made based on observable cues along a range of dimensions (for a review, see Mattan, Kobuta, & Cloutier, 2017). These can include morality, physical attractiveness, educational attainment and occupational prestige, financial status, and dominance over others (Mattan, Kubota, & Cloutier, 2017). Which dimension is salient and used for evaluation of a target largely depends on the context. In economically unequal societies, the financial disparity is particularly acute, and therefore salient for most individuals, most of the time. A survey conducted by Bogaerts and Pandelaere (2013) in the United States—one of the most unequal Western societies—revealed that domains such as income and home size are considered of highest value in status acquisition and elicit even stronger social comparison and competitive tendencies than traditional status domains such as attractiveness and intelligence. Similarly, research on envy—an emotion closely related to status threat (Crusius & Lange, 2017)—revealed that financial success, ownership of luxury products, and career success are primary domains in which social comparison elicits envy, further confirming their importance for status (see also Crusius & Lange, 2014; DelPriore, Hill, & Buss, 2012; Rentzsch & Gross, 2015). However, this is not to say that status seeking in unequal societies is reduced to obtaining material resources per se. High levels of debt and high expenditure on conspicuous goods in such societies (Kapeller & Schütz, 2015) speak to the importance of demonstrating material success to others, rather than simply accumulating material resources. Inequality heightens perceivers' evaluation of others on characteristics that are in some way related to wealth—whether directly inferring their level of wealth (e.g., by evaluating house size and designer clothing), or assessing their ability to obtain wealth (e.g., based on educational attainment or career success). Since inequality increases the prominence of wealth as a measurement stick for social status, it also narrows individuals' choice of pathways to obtaining status (Mattan et al., 2017). In particular, tying success to the ability to demonstrate affluence largely predefines how one can gain a respectable place in an unequal society.

In addition to narrowing pathways to status, inequality instills ongoing status seeking. Status is inherently comparative in nature, and represents a zero-sum competition—one person's rise in status means another person's loss. The pursuit of status, therefore, becomes an ego-centric competitive endeavor, underpinned by

highly individualistic and extrinsic motives (Blader & Yu, 2017). At the same time, however, status-seeking efforts are oriented towards others as status is socially conferred. As such, status is not a secure property of the individual—it requires continuous demonstration of success to elicit and maintain status conferral from others (Mattan et al., 2017). Even after attaining status, individuals must continue to focus on others and signal their achievements to avoid status loss (Marr & Thau, 2014; Pettit, Doyle, Lount Jr, & To, 2016). The pursuit of status in unequal societies, where status competition is commonplace, can therefore become an overarching priority (Paskov et al., 2013; see also Wang, Jetten, & Steffens, chapter “[Do People Want More Wealth and Status in Unequal Societies?](#)”), guiding choices, and motivating effort in all areas of life.

Importantly, there is evidence that few people are able to escape the pernicious effects of living in unequal contexts. For instance, even individuals who are relatively unconcerned about gaining material wealth or improving their status are affected by exposure to competition. In particular, Raghavendra, Kunter, and Mak (2018) argued that the mere awareness of competition has a contagion effect on noncompetitors through heightened social comparison and competitive arousal, motivating them to act more competitively. Similarly, exposure to social comparison has an overpowering effect on self-evaluation even for individuals who commit to assess their progress on a task in relation to a personal goal rather than in comparison with others (van Yperen & Leander, 2014). There is, therefore, converging evidence that in a context of inequality barely anyone remains unaffected, because they choose to pursue higher status, because they fear being outcompeted by others and therefore losing status, or simply because they are surrounded by people who compete. Thus, even though evidence has clearly shown that the vast majority of people do not like high inequality, and express a preference for greater equality (Norton & Ariely, 2011), nobody seems able to escape the rat race it creates.

Living in a context of inequality defined by intensified competition and social comparison may also influence the way individuals derive self-esteem, both in terms of stability and bases for assessing self-worth. In terms of stability, as discussed above, subjecting the self to frequent social comparisons undermines the stability of self-evaluation. Also, engaging in status competitions with varied end-results may further increase fluctuations of self-evaluation. Taken together, these processes can intensify the contingency of self-esteem on momentary outcomes, motivating individuals to perpetually pursue self-validation (Crocker, Luhtanen, Cooper, & Bouvrette, 2003; Crocker & Knight, 2005). Just like status seeking, pursuing self-validation by repeatedly striving to achieve in domains where self-esteem is staked is an ego-centric endeavor. It comes at a cost to other important outcomes as bids for self-validation prioritize performance over learning, self-presentation over autonomy, and individual success over social relatedness (for a review, see Crocker & Park, 2004). To the extent that inequality narrows the definition of success, status seeking and self-esteem pursuit would motivate behavior in the same direction.

In terms of bases for deriving self-esteem, inequality may also tighten the link between status-seeking and self-esteem pursuit. The recently proposed hierometer theory of self-esteem argues that individuals assess their self-worth based on their

position in the hierarchy (Mahadevan, Gregg, Sedikides, & de Waal-Andrews, 2016; Mahadevan, Gregg, & Sedikides, 2019). Contrary to the dominant view that self-esteem is based on social inclusion (i.e., self-esteem as sociometer; Leary, 2005; Leary, Tambor, Terdal, & Downs, 1995), the proponents of the hierometer theory argue that self-esteem may depend on one's superiority over others. And rather than motivating efforts to create and strengthen social relationships (as postulated by the sociometer account), the pursuit of self-esteem would motivate behavior aimed at increasing social status, such as self-enhancing to elicit admiration or displaying power to command respect. This suggests that the hierometer may be a much more suitable gauge for tracking self-worth in a context of inequality that promotes social comparison, competition, and status seeking. As both status and hierometer-based self-esteem rely on one's standing relative to others in a relevant domain, rises and falls in a person's position of the social ladder can simultaneously affect both. Similarly, attempts to boost self-esteem will be tightly linked with status seeking, thus redoubling efforts to achieve desired outcomes in status-related domains.

Inequality Promotes Costly Status and Self-Esteem Pursuits in Organizations

It has been argued that one of the main reasons for economic inequality within societies is the increasing discrepancy in wages and salaries in most Organization for Economic Co-operation and Development (OECD) countries (e.g., Piketty, 2014). This means that the work domain is a key area in which individuals are confronted with structural inequalities. At the same time, it is also the domain to which most people devote a significant amount of their time and through which it seems that wealth and status can be attained. Hence, the organizational context is highly relevant for the above-mentioned psycho-social processes triggered by perceptions of inequality. For instance, Bell and Freeman (2001) demonstrated that status seeking increases in occupations with greater pay inequality, leading to longer working hours. Importantly, long working hours have been shown to increase stress (e.g., Hassard, Teoh, Visockaite, Dewe, & Cox, 2018), worsen health (e.g., Bannai & Tamakoshi, 2014), and reduce well-being (e.g., Ganster, Rosen, & Fisher, 2018). By comparing German (lower societal inequality) and American (higher societal inequality) samples, these authors also demonstrated that despite already working longer hours than their German counterparts, American employees expressed a preference for longer working hours still. These findings reveal that work attitudes and behavior are influenced by inequality and prestige within a given occupation as well as a societal culture marked by inequality-induced competition (Bell & Freeman, 2001).

Organizations also tend to replicate society in terms of pay structures. Just as the "We are the 99%" slogan depicts perceived wealth polarization and a zero-sum game of wealth distribution in society, organizations in unequal societies often mirror these conditions by having highly polarized pay systems. The fact that CEOs'

pay can be 199 times higher than the average salary is a clear example (CIPD, 2018; ONS, 2017). Such highly unequal pay systems are often referred to as tournament incentive systems. This is because, in these systems, a number of “contestants” compete against one another for a given “prize” (e.g., money and promotion), and winning the prize depends on relative, not absolute, performance (Becker & Huselid, 1992). Tournament incentive systems are pervasive in conventional organizational practice, especially in investor- (vs. employee-) owned organizations (Hazels & Sasse, 2008). Employees in these organizations are rewarded according to their achieved relative rank, and large compensations are provided to those who occupy the top ranks (Lazear & Rosen, 1981). Being at the top in an organizational rank order not only means that a person will receive a high salary but also indicates that they have been recognized as superior by others. As we will discuss below, such organizational structures and incentive systems can instill competition, increase social comparison, and trigger status and self-esteem pursuits as an overarching priority at the expense of ethical behavior, collegiality, learning, and the organization’s long-term goals.

Organizational behavior researchers suggest that organization members tend to adopt unethical behaviors to obtain higher positions when faced with polarized pay dispersion (e.g., Piff, 2014; Côté, 2011). Indeed, Cadsby, Song, and Tapon (2010) have found that cheating in the workplace increases when higher financial rewards are concentrated at the top. This may be because, in facing the allure of rewards, organization members, especially those from lower socio-economic groups, might choose more risky behavior with a larger payoff (Brown-Iannuzzi & McKee, chapter “Economic Inequality and Risk-Taking Behaviors”; Karelis, 2007; Sheehy-Skeffington, chapter “Inequality from the Bottom Up: Toward a “Psychological Shift” Model of Decision-Making Under Socioeconomic Threat”). It has also been suggested that employees might engage in dishonest behaviors to relieve the emotional discomforts caused by economic inequality within organizations and broader society (Gino & Pierce, 2009). Higher levels of pay dispersion in an organization also increases aggression and selfishness in managers, which may lead to greater prevalence of aggressive behaviors such as workplace bullying in response to ego threat (Desai, Brief, & George, 2009). Taken together, societal and organizational inequality seem to provide at least a partial explanation why organizational members lie, cheat, and undermine others (Côté, 2011).

Similarly, workplace learning and cooperation might be harmed by high levels of inequality. This may occur because the unequal distribution of economic resources and opportunities lowers organization members’ beliefs and recognitions about common fate as an entity (e.g., Uslander, 2008). At the same time, as economic inequality encourages the adoption of zero-sum, competitive conceptions of social relationships, relatedness is hindered because people become focused on their own status and self-validation pursuits at the expense of others’ needs and feelings (Crocker & Park, 2004). Workplace helping behaviors also decreases when organizational members perceive the environment as highly competitive (Insead & Pitesa, 2017). Combined with uncooperative organizational dynamics, competitive motivations also emphasize performance-orientation at the expense of learning and mas-

tery (Crouzevialle & Butera, 2017), ultimately leading to negative consequences for organizations (Connelly, Haynes, Tihanyi, Gamache, & Devers, 2016).

Polarized pay structures, along with high societal inequality and reduced social mobility, divide people into winners and losers. Chronic disadvantage has been linked to a number of negative outcomes, including lower well-being (Buttrick, Heintzelman, & Oishi, 2017) and worse physical and mental health (Wilkinson & Pickett, 2010). In fact, recent research revealed that it is the advantaged—men, higher social class individuals, employed individuals, and those at the peak of their working age—who desire higher social status and compete for it; those in a disadvantaged position actually give up on status pursuits (Paskov, Gërxhani, & van de Werfhorst, 2016), arguably due to perceived hopelessness and disillusionment. All of this suggests that JF Kennedy's aphorism needs updating. When it comes to status, or finding a respectable place in society, the rising tide lifts only some boats but leaves many others behind.

Employee Ownership and Democratic Labor Governance as Remedies to the Harms Caused by High Societal Inequality

While organizations are an important crucible of social inequality, they may also be part of the solution. Ownership of the organization by workers offers a viable route to addressing the negative effects of inequality and status competition. This goes beyond merely distributing a few shares to employees within a conventional ownership structure, which otherwise maintains status inequality, hierarchy of pay, and control within organizations. Meaningful all-employee ownership and control of an organization introduce key changes that can address many of the negative effects of inequality in conventional organizations and broader society. Through formal inclusion in ownership and participatory voice mechanisms, employee-owned businesses steer an organization's focus towards a collective contribution and away from the individual pursuit of status and self-esteem.

Employee ownership provides workers with property rights, rights to information about the organization, decision-making rights and rights to share in any surplus produced. These rights are shared equally among employee owners. Therefore, employee ownership presents a fundamental alternation to the individual's relative status in the workplace by including even the lowest waged in organizational ownership. Linked through co-ownership in a common fate, employee owners tend to exhibit higher in-work cooperation and social cohesion (Kruse, 2002). Distributing ownership more equally among organizational members mitigates competition among employees and increases assimilation in social comparisons by increasing similarity through the equal distribution of ownership rewards (and losses). Where self-worth is staked in the work domain, and this domain focuses on collective goals, employee-owners can achieve status and self-esteem through collective contribution to organizational goals and participation in decision making. In support of this, Summers and Chillias (2019) found that employee-owned businesses place a

high value on “ownership skills,” such as skills to participate in democratic governance and decision making. Rather than a push towards homogenization of membership, this centrality of egalitarian relationships and responsibilities results in a focus on working with the differences between members. Further support of collective success as an alternative domain in which status and self-esteem can be gained is found in evidence of employee-owners’ pride in the company’s employee ownership (Long, 1980).

Staking of self-esteem in a collective domain may also shift focus away from the ego-centric pursuit of status and self-validation, which should enable better collective performance (Crocker & Park, 2004). And the evidence seems to support this. Greater equality of financial and voice status within employee-owned businesses is associated with enhanced organizational performance and high growth (Mason & Brown, 2010). In particular, sales grow faster (Arando, Gago, Jones, & Kato, 2011), turnover growth is better compared to nonemployee-owned organizations (Brown et al., 2014), and these performance effects intensify the larger the employee ownership share is (Lampel, Banerjee, & Bhalla, 2017). Additionally, employee-owned organizations are more resilient (Lampel, Bhalla, & Jha, 2010), provide greater employment stability (Kramer, 2010), and provide a greater number of secure jobs, faster (Pendleton & Robinson, 2008; Lampel et al., 2010). Together, these factors mean that employee-owned organizations are better able to cope with economic crises and recessions than conventional organizations. Worker rights to company information and worker-owner involvement in decision-making mean that employee-owned organizations are also better equipped to take hard decisions, which are accepted as legitimate (Wanyama, 2014). Employee ownership is also associated with longer-term investment horizons (Tortia, 2018) which enable investment in social sustainability (Perotin, 2014). Examples include increased gender equality (Wanyama, 2014) as a result of reduced relative inequality, and a more “dignified working life” (Logue & Yates, 2006, p. 687). A comprehensive review of the evidence found that employee-owned organizations had better employee commitment, engagement, and dedication, helping to deliver business success (Nuttall, 2012). The enhanced commitment and retention of staff (Blasi, Freeman, & Kruse, 2016) facilitates more training and education (Guery & Pendleton, 2016). This means employee-owned businesses both develop and hold on to their skilled employees and deliver better customer service (Arando et al., 2011). Of course, the flip side of sharing in the success of employee ownership is sharing in its losses and risks. However, when the tide rises, it does lift all boats.

Distributing ownership more equally among organizational members reduces the scarcity of ownership as a resource—thus reducing the power of scarcity in triggering selfish status pursuit and neutralizing the distracting effect of performance orientation. In an environment with enhanced emphasis on collectively, shared voice and responsibility, performance goals that impede performance (Crouzevialle & Butera, 2017) may also be socially undesirable and normatively controlled. For instance, Summers and Chillas (2019) found a repeated narrative across employee-owned businesses, used to reinforce collective goals, of the individual who leaves the company because employee ownership does not allow suffi-

cient scope for the pursuit of individual status and gains. One potential explanation of the performance-enhancing effect of employee ownership lies in the finding that such individually focussed performance goals can hinder learning. Individuals with performance goals tend to compete and hoard information (Crouzevialle & Butera, 2017). In contrast, Guery and Pendleton (2016) have recently found that employee ownership induces more training and learning in organizations through mutual responsibility and trust. This suggests there is a marked difference in motivational bases of individually and collectively oriented performance goals, where employee ownership engenders collective performance goals based on cooperation and reduced relative inequalities among workers.

Equality at work, far from suppressing performance, therefore, appears to enhance it. Of note, equality appears to spill-over outside of work for the individual and for the community. In individual terms, people working in employee-owned businesses see health and well-being benefits. In comparison to employees in conventionally owned and run organizations, employee owners visit their GPs less often and report better physical and mental health (McQuaid et al., 2012). In democratically owned and controlled workplaces, workers also learn skills in participation (Summers & Chillias, 2019) which promotes a sense of personal efficacy (Almond & Verba, 2015; Carter, 2006; Greenberg, Snyder, Sullivan, & Sullivan, 2008; Pateman, 1970). Recent research indicated that the more employees are able to participate in workplace decision-making, the more likely they are to hold positive feelings about democracy in general (Timming & Summers, 2018) and engage in political participation (Budd, Lamare, & Timming, 2017). Positive experiences of equity at work thus appear to result in alterations to equality attitudes and behaviors.

For wider society, employee ownership can have a spill-over effect where employees' participatory skills and confidence are put to use in their local community (Savory-Gordon, 2003). Collective ownership can have far-reaching effects on shared prosperity. Research in Italy (Erdal, 2011) found that a town where half the businesses were employee owned had a healthier community compared to a nearby town with no employee ownership. This was evident in terms of less conspicuous consumption, wider and more supportive social networks, greater support for local government, higher turnout at elections, less stress-related illnesses and longer life expectancy. In this way, employee ownership can promote equality through the local sharing of resources and benefits.

For the likes of Putnam (2000), shared prosperity is driven by the experience of collective action, which fosters stronger social connections and decreases self-serving behaviors. In employee-owned organizations, enhanced equality in the workplace impacts on workers' identity (Summers, 2004; Reeves Knyght, Kouzmin, Kakabadse, & Kakabadse, 2010), group cohesion (Kruse, 2002), and confidence (Bretos, Errasti, & Marcuello, 2018)—all of which have been associated with enhanced organizational performance (Basterretxea & Storey, 2018; Kruse et al., 2004). Yet, what these approaches overlook is evidence for the control of status seeking in employee-owned organizations—or, as Erdal (2014) terms it, “counter dominance.” Yet, evidence for forms of control of status seeking can be found in

accounts of the importance of managerial humility (Summers & Chillias, 2019), with managers practicing more democratic management styles (Stear, Stampoulidis, Lewis, & Woodman, 2015). An emphasis on equality of ownership has a positive effect on work relations (Brown et al., 2018), such as more positive attitudes towards co-workers (Agirre, Reinares, & Agirre, 2014) and acceptance of and working with difference (Summers & Chillias, 2019). A consequence of this counter dominance pursuit is to mythologize those workers who have sought status in the company and accounts of their departure due to lack of fit (Summers & Chillias, 2019). Accordingly, employee-owned organizations demonstrate the opposite to heightened competition at work and status seeking.

Nevertheless, significant barriers to the growth of employee ownership, both from within organizations and the wider business ecosystem, have been identified. There is evidence that access to finance and appropriate specialist advice can be problematic (Nuttall, 2012), partly driven by traditional funder and professional organizations' lack of knowledge of this sector, but also due to inability or reluctance to diminish employee control in return for external investment. To operate democratically, employee owners and managers require additional skills (Basterretxea & Storey, 2018; Summers & Chillias, 2019) and, if an employee-owned organization provides little opportunity for effective participation (Heras-Saizarbitoria, 2014; Paraque & Willmott, 2014), the positive association between ownership, equality, and well-being may be reversed.

Conclusion

In this chapter, we argued that economic inequality creates a context that intensifies competition and social comparison, and motivates status and self-esteem pursuits as overarching priorities in people's lives. We also argued that inequality has a contagion effect, affecting everyone's behavioral and motivational patterns, whether it is their goal to improve their status and wealth or not. Once in place, inequality seems to deeply affect the human psyche, trapping people in a harmful circle of competitive ego-centrism, social vigilance, and self-consciousness. Organizations often replicate and perpetuate societal inequality through hierarchical structures and highly polarized incentive systems. Such conditions provide a fertile ground for status and self-esteem pursuits but undermine the achievement of other important organizational and life outcomes, such as health and well-being, cooperation and social cohesion, ethicality, and learning and mastery. As organizations can act as a powerful engine driving societal inequality up or down through pay dispersion, we examined an alternative form of labor organization—employee ownership—as a promising remedy for reducing the magnitude and harms of inequality. We argued that in conditions of heightened equality through employee ownership, status pursuit is less prevalent and self-esteem is enhanced by inclusion and health. We showed that greater equality and democracy at work translates into healthier, more socially engaged and cohesive communities. It follows that if the future of economic

development is to be fair, and driven by a greater emphasis on equality, then the future of work needs to be more democratic. A key component in achieving this will involve promoting and supporting meaningful employee ownership.

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Part II
Inequality in Educational Contexts

Social Class Differences in Social Integration at University: Implications for Academic Outcomes and Mental Health



Mark Rubin, Olivia Evans, and Romany McGuffog

Many of society's inequalities are manifest in, and propagated by, the education that we receive. Higher education in particular represents a key gateway for social mobility. Without a higher education, people are likely to work in lower-status and poorer-paying jobs (Day & Newburger, 2002; Pascarella & Terenzini, 1991, 2005; Perna, 2005). With the goal of equality and equal opportunity in mind, there has been a widening of participation by minority groups in higher education over the last few decades (e.g., Shah, Bennett, & Southgate, 2016; Yu & Delaney, 2016). In particular, in the UK, USA, and Australia, as well as many other countries, there has been a push to increase the proportion of working-class¹ students in higher education.

However, this expansion of higher education is happening at a relatively slow rate, with all countries' higher education systems failing to reflect the diversity of their general populations despite years of equal opportunity policies. For example, in Australia, 25% of the general population are classified as having a low socioeconomic status (SES; Department of Education, Employment and Workplace Relations, 2009). However, the percentage of commencing low SES university students was 16.08% in 2015 and has only increased by 5% over the past 5 years (Parker, 2016). Consequently, as it currently stands, higher education serves to reinforce social

¹The concept of *working class* is associated with a variety of different labels, including low SES, low social status, underprivilege, disadvantage, low income, and first-generation students at university (for a review, see Smith, 2005). In this chapter, we use the term *working class* as a convenient and relatively inclusive label. We acknowledge that alternative terms are somewhat interchangeable but that each also has a distinct meaning.

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inequality, because working-class people are not adequately represented in higher education and are thus not reaping the social and economic benefits at the same rate as middle- and upper-class people.

This lack of adequate representation is especially problematic because working-class people have a lot to gain from higher education. In particular, a university education is an important means of achieving upward social mobility. Indeed, higher education may be *more* beneficial for working-class people than for middle-class people in terms of subsequent economic earnings (Brand & Xie, 2010).

Furthermore, what increase in the proportion of working-class students there has been in higher education has not proven to be a panacea to social inequality. Indeed, it might be argued that as working-class participation has increased, so too has social inequality (Kromydas, 2017). This is because the demographics, culture, and family experiences of middle- and upper-class students provide them with certain advantages over working-class students during their time at university (Parker, 2016).

In particular, working-class students' minority group status is more salient at university than in primary and secondary education settings. This is because primary and secondary schools draw from local populations that reflect students' own SES background, whereas universities draw from a more distinctly middle-class population. Consequently, working-class students' minority group status is more evident at university than in their prior educational settings, and this may lead them to feel out of place at university (Croizet, Autin, Goudeau, Marot, & Millet; chapter "Education and Social Class: Highlighting How the Educational System Perpetuates Social Inequality"; Easterbrook, Hadden & Nieuwenhuis, chapter "Identities-in-Context: How Social Class Shapes Inequalities in Education").

Additionally, universities are distinctly middle-class environments that include their own norms and cultural values that can clash with working-class values (Rubin et al., 2014; see also Batruch, Autin & Batura, chapter "The Paradoxical Role of Meritocratic Selection in the Perpetuation of Social Inequalities at School"). More specifically, universities embody a middle-class independent approach to learning and achievement, which is discordant with interdependent working-class values, making university more alien and difficult for working-class students (Stephens, Fryberg, Markus, Johnson, & Covarrubias, 2012).

Finally, working-class students are often the first in their families to attend university. Consequently, working-class families have less experience with universities and are often unable to provide the same level of financial, informational, mentoring, and/or identity support as middle-class families provide to their sons and daughters (Rubin, 2012b).

In summary, compared to middle-class university students, working-class students tend to be disadvantaged numerically, culturally, and in terms of their family support. These differences may help to explain a number of social-class inequalities in higher education. Compared to middle-class students, working-class students are often less prepared for higher education (e.g., Bui, 2002; Reid & Moore III, 2008; Shields, 2002), less likely to be academically engaged after enrolment (e.g., Martinez, Sher, Krull, & Wood, 2009; Pike & Kuh, 2005), less likely to obtain good grades and develop intellectually (for a meta-analysis, see Robbins et al., 2004), less likely to stay enrolled in their courses (e.g., Inman & Mayes, 1999), less likely to

complete their degrees (for a meta-analysis, see Robbins et al., 2004), and less likely to be satisfied with their university experience (Martin, 2012). They are also more likely to suffer from poorer mental health at university (Evans, 2019; Rubin, Evans, & Wilkinson, 2016; Rubin & Kelly, 2015).

In this chapter, we focus on two of these social-class differences at university: academic outcomes and mental health. We consider the extent to which social-class differences on each of these variables may be related to social-class differences in social integration at university. In particular, we consider recent research that shows that working-class students' relatively low degree of social integration at university is associated with their poorer academic outcomes and their poorer mental health. However, before proceeding, it is necessary to take a step back and clarify what we mean by *social class* and *social integration*.

What Is Social Class?

We conceptualize social class as a multidimensional latent construct that is based on an interaction between people's social, cultural, and economic background and status (Rubin et al., 2014). Social class can be distinguished from SES in terms of its stability. Because it has a cultural basis, social class is a relatively stable variable that is likely to change slowly and slightly over several years. In contrast, because it has an economic basis, an individual's SES is a more mutable variable that has the potential to change more quickly depending on the individual's current income and assets. Hence, an individual may have a relatively high SES and yet continue to identify as a working-class person (Rubin et al., 2014).

Our definition of social class has three implications for measurement. First, consistent with our view that social class is a multidimensional variable, we use several different measures of social class in our research surveys. For example, we include measures of parental education, parent occupation, family income, self-identified social class, and subjective social status.

Second, consistent with our view that social class is a latent variable, we aggregate across different measures of social class in order to form a global index of social class. In most cases, this approach is supported by the results of exploratory factor analyses, which show that our measures of social class load on a single factor.

Third, we avoid a categorical approach in which participants are allocated to discrete categories such as "working class" or "middle class." This decision is based on theoretical, pragmatic, and statistical reasons. Theoretically, we are primarily concerned with general associations between social class and other variables rather than with specific categories of social class. Pragmatically, decisions about the cut-points for such categories are arbitrary, context-specific, and often difficult to justify (Rubin et al., 2014). Finally, from a statistical perspective, the categorical approach ignores potentially important intracategory differences in social class. Hence, it may involve grouping people together as "working-class" when, in fact, there is a substantial degree of variability in social class within this category.

To be clear, we use the terms “working-class students” and “middle-class students” when reporting our research results because this conventional terminology aids in the communication of the work. For a similar reason, our measures ask participants to indicate whether they and their parents are “working-class,” “lower middle-class,” “middle-class,” “upper middle-class,” or “upper class.” However, our index of social class is one that aggregates across several different measures of social class to create a continuous measure. Hence, while we refer to “working class” or “lower class” individuals in this chapter, these terms refer generally to people at the lower end of the social-class spectrum rather than to people who are specifically categorized as being “working class.” Similarly, “middle class” and “upper class” refer generally to those toward the middle or top of the social-class spectrum.

What Is Social Integration?

Like social class, social integration has many different definitions and operationalizations (e.g., Gellin, 2003, p. 748; Wolf-Wendel, Ward, & Kinzie, 2009). Again, we define social integration as a multidimensional latent construct. Specifically, in a university setting, social integration refers to the quantity and quality of social interactions with staff and students, the sense of connection with these people, and a sense of belonging to the university as a whole. Hence, our measures of social integration refer to the number of university friends that students have, time spent socializing in face-to-face meetings and in online environments (e.g., Facebook), the extent of participation in the university context, the perceived quality of university friendships, and sense of belonging and loneliness.

Again, exploratory factor analyses tend to show that these various aspects of social integration load on a single factor. Consequently, like social class, we analyze social integration as a single continuous index.

Social Class and Social Integration at University

As we have established, disparities in higher education are a contributing factor to social inequality. In particular, working-class students face disadvantages at university with regards to their academic outcomes and mental health. In this chapter, we propose that a lack of social integration at university may help to explain working-class students’ poorer academic and mental health outcomes. Consistent with this proposal, a substantial body of research shows that working-class students are less socially integrated at university compared with middle-class students (for recent evidence, see Langhout, Drake, & Rosselli, 2009; Martin, 2012; Ostrove & Long, 2007; Stuber, 2009; for meta-analyses, see Robbins et al., 2004; Rubin, 2012a). Rubin’s (2012a) meta-analysis of 35 (mainly USA) studies showed that, compared

with middle-class students, working-class students feel less of a sense of belonging to their universities and participate in fewer formal social activities (e.g., campus clubs and organizations) and fewer informal social activities (e.g., drinks, dates, and conversations). This social exclusion effect generalizes across men and women as well as people of different ethnicities. The effect also holds across years of study, indicating that time spent at university does not eradicate these differences. Hence, the positive relation between social class and social integration is a relatively widespread and pervasive association in university student populations.

Why do working-class students integrate less at university? Answers to this question seem to fall into two main categories that relate to the personal context of working-class students and the institutional context of universities. With regards to personal context, working-class students tend to have different life circumstances to middle-class students. In particular, working-class students come to university at different times in their lives and have different, often more restrictive commitments. Consistent with this view, Rubin and Wright (2015, 2017) found that (a) working-class students tended to be older than higher-class students, (b) older students tended to have more paid work and childcare commitments than younger students, (c) students with more of these commitments tended to spend less time on their university campus, and (d) students who spent less time on campus tended to be less socially integrated at university. Rubin and Wright also found that working-class students tended to be less satisfied with their finances and that this social-class difference in financial satisfaction helped to explain their lack of social integration.

Working-class students' lack of time and money seems to be particularly obstructive to their social experience at university. Working-class students are more likely to work to support themselves through university, and this paid work can result in less time for them to socialize with other students. Working-class students also have less money to purchase items associated with social experiences (e.g., tickets, entrance fees, food, and drinks). Both of these issues were raised in Lehmann's (2009) interviews with working-class students. When discussing the impact of working while going to university, one student lamented, "it's going to cut into my social time" (p. 637). When discussing the disconnection with university friends, another student confided, "it is really difficult for me to have to go to work and to always be strapped" (p. 637). Thus, a clear reason that explains why working-class students are less integrated is that they have less time and money to participate in social activities at universities.

Turning to institutional context, research suggests that working-class students do not feel comfortable at university because it is a middle-class sociocultural environment. Indeed, several qualitative studies include reports from working-class students that describe their discomfort with the university culture, campus, student identity, and other students (e.g., Bergerson, 2007; Karimshah, Wyder, Henman, Tay, Capelin, & Short, 2013; Lehmann, 2007). Research on the cultural mismatch between working-class culture and university culture is also consistent with the institutional context viewpoint. As a bastion of middle-class culture, universities tend to promote the middle-class cultural value of independence, rather than the working-class value of interdependence (Manstead, 2018; Stephens, Townsend,

Markus, & Phillips, 2012). This cultural mismatch between working-class values and university values has a detrimental effect on working-class students' motivations (Stephens, Fryberg, et al., 2012), networking behavior (Soria & Stebleton, 2013), and expectations about university (Stephens, Hamedani, & Destin, 2014).

In summary, a number of factors contribute to social-class differences in social integration, including factors that relate to both the circumstances of the student and the university context. It is important to take these factors into consideration because, by not being fully socially integrated at university, working-class students are missing out on a crucial aspect of the university experience that has numerous flow on effects. Below, we discuss the effects on academic outcome and mental health.

Social Class, Social Integration, and Academic Outcomes

Several studies have shown that social class is positively related to academic performance. For example, Robbins et al.'s (2004) meta-analysis of 109 (all USA) studies found that higher SES predicts higher-grade point average. Similar results have been found by Robbins, Allen, Casillas, Peterson, and Le (2006) and Pittman and Richmond (2007). In Australia, Southgate et al. (2014) found that first-generation university students had similar academic results to other students in first year. However, the social-class academic performance gap opened up in subsequent years. Southgate et al. suggested that this change may be because the university used in their study provided numerous resources to help first-generation students in their first year of study, but this assistance was not as prominent in subsequent years.

There is also a wealth of research which shows that social class is related to other academic outcomes. For example, working-class and first-generation students are less likely than middle-class and continuing-generation students to be academically engaged (e.g., Martinez et al., 2009; Pike & Kuh, 2005; Soria & Stebleton, 2013), less likely to develop intellectually (for a meta-analysis, see Robbins et al., 2004), less likely to cope with the academic workload and complexity of the course material (Scevak et al., 2015), and more likely to withdraw from their courses (Inman & Mayes, 1999; Riehl, 1994; Scevak et al., 2015) and their degrees (Martin, Maclachlan, & Karmel, 2001; Vickers, Lamb, & Hinkley, 2003; for a meta-analysis of six tests, see Robbins et al., 2004).

Social integration at university may play a key role in explaining these social-class differences in academic outcomes. Social integration is related to students' academic development, outcomes, and retention (for reviews, see Pascarella & Terenzini, 1991, 2005). In particular, social integration is related to better learning, cognitive growth, critical thinking, and personal and moral development (for reviews, see Gellin, 2003; Hernandez, Hogan, Hathaway, & Lovell, 1999; McConnell, 2000). Social integration is also related to better academic performance (for a meta-analysis of 33 tests, see Robbins et al., 2004) and greater persistence and

retention (for a meta-analysis of 36 tests, see Robbins et al., 2004; for narrative reviews, see McConnell, 2000). Additionally, experimental and longitudinal evidence suggests that greater social integration causes better academic outcomes (Walton & Cohen, 2007) and persistence (Berger & Milem, 1999; Cabrera, Castaneda, Nora, & Hengstler, 1992).

There are a number of reasons why social integration may help to explain the association between social-class and academic outcomes (Rubin, 2012b). Social integration can provide students with informational support (e.g., Collier & Morgan, 2008, p. 436–437; Gallagher & Gilmore, 2013), emotional support (e.g., Wilcox, Winn, & Fyvie-Gauld, 2005; Zorn & Gregory, 2005), motivational support (e.g., Harackiewicz, Barron, & Elliot, 1998), mentoring (e.g., Tremblay & Rodger, 2003), and identity support (e.g., Braxton et al., 1997, p. 123; Robbins et al., 2006, p. 604). In theory, each of these different kinds of support may be especially beneficial for working-class students' academic performance precisely because working-class students lack these forms of support. For example, working-class students tend to lack information and social support for their university studies from their family and hometown friends (e.g., Bryan & Simmons, 2009, p. 398; Elkins, Braxton, & James, 2000; Lehmann, 2009, p. 638), and social integration provides access to these types of support from other students at university (Wilcox et al., 2005; Zorn & Gregory, 2005). Consistent with this deficit perspective, there is some evidence that participation in social activities has a significantly stronger positive effect on academic-related variables for working-class students than it does for middle-class students, both at school and at university (e.g., Blomfield & Barber, 2011; Malecki & Demaray, 2006; Pascarella, Pierson, Wolniak, & Terenzini, 2004). Hence, improving the social integration of working-class university students represents a potential method of closing the social class gap in academic outcomes.

In summary, (a) social class is related to academic outcomes, (b) social class is related to social integration at university, and (c) social integration at university is related to academic outcomes. Consequently, working-class students' deficit in academic outcomes may be mediated by their deficit in social integration into university life. A study by Yazedjian, Toews, and Navarro (2009) aimed to investigate this mediation model. Yazedjian et al.'s study consisted of 883 participants from a Texas university. The researchers found that social-class differences (as measured by parental education level) in adjustment to university accounted for social-class differences in grade point average among white students but not Hispanic students. Further research in other university student populations is needed to investigate the mediating effect of social integration in the association between social-class and academic performance.

Importantly, working-class students' lack of social integration at university has a broader impact beyond that of their academic performance. It also has a negative impact on their health and well-being. Below, we discuss research on the relationship between social class, social integration, and university students' mental health.

Social Class, Social Integration, and Mental Health

Social class is positively related to mental health in the general population (for a review, see Lund et al., 2010). For example, a meta-analysis of 51 studies found that working-class people are more likely to be depressed than middle-class people (Lorant et al., 2003). Hence, it is not surprising that social class also positively predicts mental health in university populations (e.g., King, Garrett, Wrench, & Lewis, 2011; Said, Kypri, & Bowman, 2013; Rubin & Kelly, 2015; Rubin & Stuart, 2018). However, this association between social class and mental health is particularly concerning among university students because, independent of their social class, university students already represent a high-risk group for mental health problems. For example, in the USA, the 2015 National College Health Assessment II found that 18.6% of students reported having been diagnosed with depression (American College Health Association, 2015) as opposed to only 6.7% in the US general population (National Institute of Medical Health, 2015). Similarly, in Australia, 19.2% of students at two large universities had “very high” levels of mental distress compared to only 3% in the general population (Stallman, 2010). Hence, when it comes to mental health, working-class university students face a double jeopardy of being both (a) working-class and (b) university students.

Again, social integration may help to explain social-class differences in mental health at university. Consistent with this possibility, social integration has beneficial effects on mental health (for a review, see Hefner & Eisenberg, 2009), including at university (McIntyre, Worsley, Corcoran, Harrison Woods, & Bentall, 2018), most likely because it facilitates self-esteem, a sense of belonging, self-disclosure, and perceived social support (Rubin & Kelly, 2015; Thoits, 2011).

Direct evidence that social integration mediates the association between social class and mental health comes from Rubin and Kelly (2015) and Rubin et al. (2016). Rubin and Kelly surveyed a sample of 397 psychology undergraduate students at an Australian university. They found that, compared to middle-class students, working-class students experienced (a) worse social integration at university and (b) worse mental health (measured using the Depression, Anxiety, and Stress Scale (DASS); Lovibond & Lovibond, 2004). In addition, social-class differences in social integration mediated the relation between social class and mental health. In other words, working-class students’ poorer social integration helped to explain their poorer mental health.

Rubin and Kelly’s (2015) cross-sectional study did not provide causal evidence of these relationships. To address this issue, Rubin et al. (2016) conducted a longitudinal study with 314 first-year undergraduate students at an Australian university. Students’ social class, social integration (the number of friends made at university and the amount of contact with these friends), and mental health (DASS) were assessed over two consecutive semesters. Consistent with previous research, the results indicated that social class during Semester 1 positively predicted social integration and negatively predicted depression during Semester 2. In addition, Semester 1 social integration negatively predicted Semester 2 depression. Finally, controlling

for Semester 1 social integration with university friends led to a significant reduction in the size of the relation between Semester 1 social class and Semester 2 depression. These results are consistent with the view that lower social status causes less social integration with university friends, which causes more depressive symptoms, and that lack of social integration explains the relation between social status and depressive symptoms.

Notably, social integration may also have a protective role against mental illness (Almedom, 2005; Rubin, 2012b; Rubin & Kelly, 2015). Rubin and Stuart (2018) considered this issue from the perspective of social-class identification. They found that when university students’ social-class identification was assessed in terms of perceived similarity with other members of one’s social class, it moderated the association between social class and depressive symptoms. In particular, social identification buffered (reduced) the effects of social class on depressive symptoms. Critically, however, subsequent attempts to replicate this effect have not been successful, possibly due to measurement issues (Evans, 2019; McGuffog, 2018; Rubin, Paolini, Subašić, & Giacomini, 2019). Additionally, Iyer, Jetten, Tsivrikos, Postmes, and Haslam (2009) found that identifying as a student predicted students’ greater well-being, but that working-class students were less likely to identify as a student or to see the student identity as being compatible with their social-class identity. Hence, further research is required before it can be concluded that working-class students may reap the potentially protective benefits of social-class identification or student identification.

Conclusions

In summary, prior research has found social-class differences in university students’ academic outcomes and mental health, and recent research has identified social integration at university as a key mediator of these differences: Working-class university students appear to suffer from poorer academic outcomes and mental health in part because of their poorer integration into the social life of their universities. Figure 1 shows the variables that we believe may be involved in these relations.

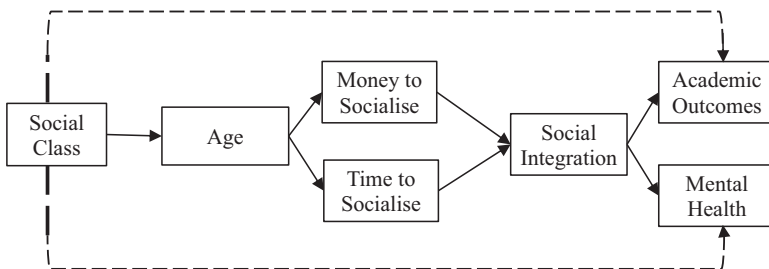


Fig. 1 Model showing how social class is associated with academic outcomes and mental health

The model suggests that working-class university students are older than middle-class students and that this age difference predicts a lack of time and money to socialize, resulting in less social integration. In turn, this lack of social integration is associated with poorer academic outcomes and mental health.

Devlin (2013) suggested that social-class inequalities in higher education are caused by an interaction between student and university factors. Our own research supports this view. Working-class students enter university with a particular set of life circumstances, including limited time and money to engage in social activities. However, these life circumstances only become problematic within the particular majority middle-class institutional context of university. It is important to appreciate, however, that from an interventionist perspective, it may be more difficult to change the life circumstances of working-class students than to change the institutional context of universities. For this reason, we believe that the onus is on universities to adapt to working-class students rather than vice versa. Indeed, to be successful, the widening participation agenda must entail an active participation on the part of universities as well as students. As Enstrom and Tinto (2008) put it so succinctly, “access without support is not opportunity” (p. 50), and governments and universities have a responsibility to provide support as well as access. Critically, to be successful, this support needs to be operationalized at social and cultural levels and not only at the academic level.

Socially, universities need to consider ways of facilitating working-class students’ social integration. Rubin and Wright (2015, 2017) suggested that this facilitative approach needs to be carefully thought through and adjusted to the particular needs and life circumstances of working-class students. For example, on campus accommodation needs to be subsidized and to take into consideration the fact that many working-class students are also mature-aged students with family commitments. Similarly, social activities need to be subsidized, pitched at the right age group, and held at times and places that are convenient for working-class students. Finally, on-campus employment and childcare should adopt an affirmative action approach toward working-class students.

It is also worth thinking outside of the box when it comes to working-class students’ social integration. In this vein, Rubin and Wright (2015, 2017) suggested that universities should develop online forms of social integration that do not require campus attendance. Online social networking sites such as Facebook represent one such approach. There is already substantial international evidence that frequency and intensity of Facebook use are associated with greater social integration at university (e.g., Komarenko, 2016; Morioka, Ellison, & Brown, 2016; for a review, see Ternes, 2013). There is also recent evidence that certain types of Facebook use improve mental well-being among university students (e.g., Hu, Kim, Siwek, & Wilder, 2017; Zhang, 2017; for reviews, see Frost & Rickwood, 2017; Verduyn, Ybarra, Résibois, Jonides, & Kross, 2017). Importantly, many online social networking platforms are free, and they allow users to access important social networks without needing to attend social events in person. These characteristics make online social networking sites attractive to working-class students, who often have less time and money to engage in traditional face-to-face social activities (Rubin &

Wright, 2017). Perhaps for these reasons, there is some evidence that low SES students use Facebook more than high SES students (Strayhorn, 2012).

Importantly, working-class students also need to be motivated to take advantage of the opportunities for integration that universities provide, and this may be the most difficult problem to address. Rubin and Wright (2015) found that working-class students had less desire and concern about making new friends than middle-class students. Additionally, as discussed previously, working-class students are also less likely to adopt a student identity and are less likely to view a student identity as being compatible with their existing identities (Iyer et al., 2009). Each of these phenomena could be due to the university environment generally being thought of as a middle-class environment propagating middle-class values. Universities are stereotypically traditional institutions that are quite resistant to cultural change. However, in order to survive in an era of widening participation, universities need to learn and adopt the values of their students as much as students need to learn and adopt the values of universities.

Finally, in a broader context, the current widening of participation in universities seems to be partly reinforcing inequality. As we noted at the beginning of this chapter, the number of working-class students has been increasing, albeit slowly, over the last few decades. However, when taking a closer look at where these changes are coming from, it is the rural and outer-urban universities in Australia, or the community colleges in America, that are expanding most rapidly in terms of working-class students (Chesters, 2015; Gurney-Read, 2015; Jaschik, 2012; Parker, 2016). Comparatively, the more prestigious universities in capital cities have had relatively little change in the proportion of working-class students. With the massification and diversification of higher education, university prestige is fast becoming a key factor in distinguishing between graduates and determining the benefits that graduates can obtain from their degrees (Chesters, 2015). Thus, although there may be a more equal opportunity of access to higher education, not all higher education opportunities are equal. This current trend, in which middle- and upper-class students are more likely to attend universities with the most social and economic capital, appears to preserve rather than improve social inequalities. On a global level, the higher education sector should take a more egalitarian approach to enrolments in which elite institutions take their fair share of economically disadvantaged students. Alternatively, the system needs to change such that the capacity for institutions to create value for their students is more broadly and evenly distributed across the sector.

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Identities in Context: How Social Class Shapes Inequalities in Education



Matthew J. Easterbrook, Ian R. Hadden, and Marlon Nieuwenhuis

In a country that works for everyone it doesn't matter where you were born, or how much your parents earn. If you work hard and do the right thing, you will be able to go as far as you can.

Theresa May, British Academy speech, 2016.

To the teachers at the school it probably looked as if they didn't care enough even to turn up for Parents' Evening ... But we understood our mothers a little better. We knew that they, in their own time, had feared school, just as we did now, feared the arbitrary rules and felt shamed by them, by the new uniforms they couldn't afford, the baffling obsession with quiet, the incessant correcting of their original patois or cockney, the sense that they could never do anything right anyway ... And so 'Parent's Evening' was, in their minds, not so distant from 'detention'. It remained a place where they might be shamed.

Zadie Smith, *Swing Time*, 2016.

We are a long way from living in a society that provides equality of opportunity and a voice for everyone. On the contrary, we argue that our social and institutional structures preserve inequalities through subtle yet powerful processes that, for some groups in society, act as psychological barriers to engagement and success. This is particularly true of education. While many herald it as a social lever that offers equal opportunities for everyone, we argue that social and cultural factors deter and discourage some groups of students from striving to succeed in education, thus depriving them of the life chances that a successful education offers.

In this chapter, we outline the social and cultural characteristics and social identity processes that we argue drive social class¹ inequalities in education. There are,

¹Although there are important differences between the different indicators of socioeconomic status and social class, here we use the term lower class as a general term indicating lower socioeconomic status and lower social class. We do this in order to be consistent in our writing throughout the chapter and to avoid getting side-tracked by technical discussions that could detract from our main focus of educational inequalities.

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of course, structural factors that contribute to inequalities in education—children from poorer families have less access to high-quality schools, poorer nutrition, poorer housing, and cannot afford private tuition, to name only a few. Although these are outside the scope of this chapter, we conclude by reflecting on how our model suggests that the level of inequality within a society is likely to influence educational inequalities.

Educational Inequalities

During industrialization, societies moved away from awarding citizens social positions based on inherited rank and privilege and shifted toward basing them on characteristics that seemed naturally distributed between individuals: their abilities, ambition, and efforts. The idea that an individual—through hard work and self-reliance—could achieve social and economic success came to be seen as an equalizing principle, and equality of opportunity became a sacred value. Educational institutions began to assess and reward an individual's merit (for a review, see Autin, Batruch, & Butera, 2015; Batruch, Autin, & Butera, chapter “[The Paradoxical Role of Meritocratic Selection in the Perpetuation of Social Inequalities at School](#)”). As a result, a person's level of education has become a key determinant of their social status and is strongly associated with positive life outcomes, with higher education associated with better well-being and health, greater political engagement, and higher levels of social trust (Easterbrook, Kuppens, & Manstead, 2015).

Of course, just as higher levels of education are associated with beneficial outcomes and higher status, lower levels of education are associated with negative outcomes and stigma. Educationism—prejudice against those with low levels of education—seems to be one of the last acceptable prejudices in the Western societies (Kuppens, Spears, Manstead, Spruyt, & Easterbrook, 2017). Indeed, one could argue that level of education is becoming a pivotal social divide within the Western societies; it is among the variables most predictive of civic behavior and political involvement (Malligan, Moretti, & Oreopoulos, 2004), and is perceived by many as being a crucial factor that drove voting patterns within the 2016 US presidential election (Tylson & Maniam, 2016) and the UK's Brexit referendum (Zhang, 2018), regardless of whether or not that was actually the case (Jetten, 2018).

Despite the common perception that education is a social equalizer that epitomizes the idea of equality of opportunities, some groups systematically underperform in and disengage from education. In the USA, African Americans and Latinos do not, on average, achieve or progress within education to the same level as their European American counterparts, and this contributes to a range of major economic, social, and material inequalities between those groups. In the UK, where our research is conducted, the primary driver of educational inequalities is social class. Here, school students who qualify for free school meals—an indicator of economic disadvantage—are only around half as likely as their better-off peers to achieve what the government considers to be a good level of academic achievement (Department for Education, 2015). These educational inequalities in social class are

present from the earliest stages of school and increase thereafter: disadvantaged students lag behind their peers by about 4 months' progress at age four, which increases to over 19 months by the time they are age 16 (Andrews, Robinson, & Hutchinson, 2017; see also Rubin, Evans, & McGuffog, chapter “[Social Class Differences in Social Integration at University: Implications for Academic Outcomes and Mental Health](#)”). What is more, these inequalities are not solely explained by differences in academic ability between school students (Machin & Vignoles, 2005).

Beyond school, students who were eligible for free school meals are about half as likely to go to university (UCAS, 2017) and, if they do, are more likely to drop out (Arulampalam, Naylor, & Smith, 2005) or leave with lower grades than their wealthier counterparts. Importantly, however, it seems that it is not just ability that drives these inequalities: even among pupils whose exam results are within the top 20% nationally, lower-class pupils are much less likely to go to the highest-status universities than their better-off peers (Jerrim, Chmielewski, & Parker, 2015). Indeed, similar gaps have been found in the non-cognitive or “soft” skills that are critical to success in school and later life—including a sense of belonging, intrinsic motivation, academic aspirations, and self-esteem (Bandura & Caprara, 1996; Heckman, 2011; Rubin, 2012).

In this chapter, we attempt to explain how social and cultural factors prominent in the local educational context—and the social identity processes that these ignite—contribute to educational inequalities between people of different social classes. We also introduce a new model: The identities-in-context model of educational inequalities. The model is based on our own research and our reading of others', and is a work in process to be updated as the field progresses. While this chapter focuses on class-based educational inequalities, we expect that the model will help to explain educational inequalities between other groups such as those reflecting ethnicity and gender, an idea that we develop in the final section. We also draw on our model to suggest how the level of inequality within a society affects the educational inequalities within it.

The Identities-in-Context Model of Educational Inequalities

Educational inequalities between groups are not uniform; they vary across contexts. For example, the ethnicity achievement gap is much larger in the USA than the UK, and—within the UK—the social class achievement gap varies across geographical regions: from 19% in London to 34% in the South East (Education Endowment Foundation, 2017). To understand this variation, we suggest that researchers must try to understand the meaning of the group's social identity—to the group and to others—within the *local educational context* by assessing the social and cultural characteristics that are prominent, salient, and relevant to the group within that local context.

We argue that these social and cultural factors interact with individuals' *social identities* to produce radically different subjective experiences for members of different social groups (Cohen & Sherman, 2014). For example, someone who grew up

in a poor neighborhood is likely to have a very different subjective experience of a top university than someone who grew up in a wealthy neighborhood, partly because they interpret university through the lens of their class-based social identities, and partly because of how those identities are interpreted by the universities and wider society *within the context of education*.

The identities-in-context model, shown in Fig. 1, places class-based social identities at the start of the causal chain. These identities act as a lens through which individuals perceive their local educational context, rendering certain features of the context—the social and cultural factors—self-relevant and meaningful. If the social and cultural factors identified in the model are present, salient, and relevant to the group in question, the model suggests that they lead to a sense of social identity threat and a perception that one’s class-based social identities are incompatible with educational success, engagement, and progression. These in turn fuel inequalities in performance, aspiration, and self-beliefs (such as belonging and self-efficacy).

The key social and cultural factors that in our view contribute to educational inequalities between groups are the prevalence of negative stereotypes and expectations about a group’s educational performance, the representation of the group within education, and the group’s disposition toward education. These lead to important differences in how different groups subjectively experience their local educational context, which in turn contribute to differences in academic outcomes.

Class-Based Social Identities

As Leon Festinger (1954) pointed out in his social comparison theory, when we are making important decisions about our lives and there are no objective indicators of what we should do (and there hardly ever are), we look around us to see what people like us have done (see also Brown-Iannuzzi & McKee, chapter “[Economic Inequality](#)”).

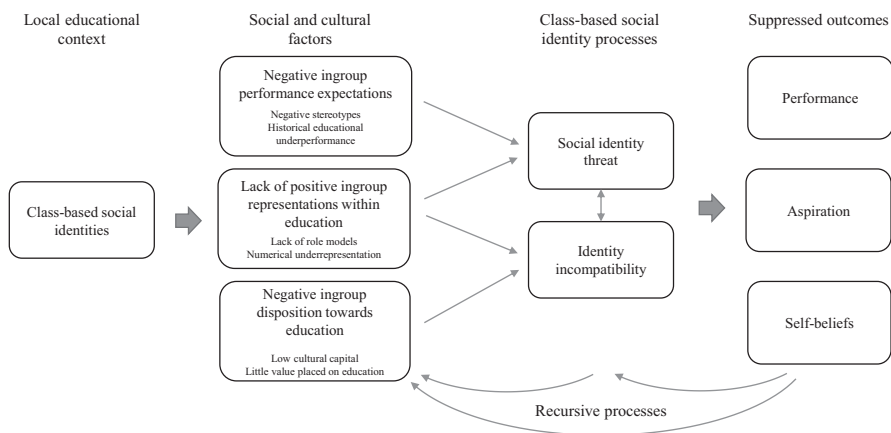


Fig. 1 The identities-in-context model of educational inequalities, applied to social class

and Risk-Taking Behaviors”). What do people like me do with their lives? What have people like me achieved? What are people like me good at? The answers to questions such as these are used to understand what is a realistic path that we can take, and what we might be able to become in the future (Oyserman & James, 2011).

The concept of *social identity* (Tajfel & Turner, 1979; Turner, Hogg, Oakes, Reicher, & Wetherell, 1987) is key to our understanding here: *people like us* are the people with whom we share a social identity. Most children’s and adolescents’ social identities are strongly rooted to their family, community, and neighborhood (Bennett & Sani, 2008)—where they live, where they go to school, what they do, and the people they see every day—all of which are tightly intertwined with their social class. Social class is therefore integral to people’s understanding of who they are and forms the foundation upon which some of their most meaningful social identities are based.

Some examples serve to illustrate our point. Imagine a young teenager whose family members left school at 16 and who lives in a neighborhood where hardly anyone went on to college or university. She will look around her and, if she thinks about university at all, is likely to think that *going to university is not something people like me do. It’s not relevant to my life.* It is very hard for her to imagine or understand *how* she might move from her current position to one of educational success, or to imagine herself as a future graduate. In the language of social identity theory, she cannot imagine cognitive alternatives to the status quo (Iyer, Zhang, Jetten, Hao, & Cui, 2017). No one she knows or feels similar to has taken that path, and it therefore does not seem to be a viable, accessible, or relevant route (Elmore & Oyserman, 2012; Markus & Nurius, 1986).

People’s social identities therefore have consequences for how they orientate themselves toward education. People from lower social classes are likely to feel unwanted, stigmatized, and threatened by the stereotypes that apply to them and their group—they experience a sense of *social identity threat*. They are also likely to feel that they are not the type of person who does well in school or progresses in education—they experience a sense of *identity incompatibility*. We now describe the consequences of these two social identity processes in more detail.

Social Identity Threat

Imagine Jim who lives on a public housing estate and whose parents are on a low income. People do not expect students like him to achieve much at school, and he knows it. He sees each academic setback, each poor mark or piece of critical feedback from a teacher, as evidence that school is not for people like him. Tests and exams stress him out and the threat of failure pervades; he loses the belief that he can succeed. Expectations lower, and steady academic decline ensues. Jim loses interest in education and psychologically disengages from school, which relieves some of his anxiety.

Jim is experiencing a phenomenon known as stereotype threat (Steele & Aronson, 1995): a sense of threat that people feel in a given context when they believe that they risk conforming to a negative stereotype about a group of which they are a member. In other words, individuals suffer from stereotype threat when they perceive that their social identity is negatively valued within a particular domain, and that they are at risk of confirming that negative value: stereotype threat can therefore be understood as threat to one's social identity.

Stereotype threat has been shown to apply to lower-class students within education. In one study, French undergraduate students were given a difficult verbal test (Croizet & Claire, 1998). Only when the test was portrayed as being diagnostic of intellectual ability (and thereby eliciting fears of confirming a negative stereotype) did students from lower-class backgrounds perform worse than those from higher-class backgrounds. Another study found that asking school students to raise their hands in class once they had an answer to a question—rendering performance visible to others—decreased lower-class students' performance (Goudeau & Croizet, 2017; chapter “[Education and Social Class: Highlighting How the Educational System Perpetuates Social Inequality](#)”). In these studies, the manipulation did not reduce the performance of middle-class pupils, since their social identity was not negatively valued nor subject to a negative stereotype, and so they did not suffer from stereotype or social identity threat. Other studies have found similar effects among lower-class students ranging in age from six-year-olds to college students (Browman, Destin, Carswell, & Svoboda, 2017; Désert, Préaux, & Jund, 2009; Good, Aronson, & Inzlicht, 2003; Spencer & Castano, 2007). Indeed, this sense of threat has been estimated to account for up to 28% of group-based attainment gaps (Walton & Spencer, 2009).

Identity Incompatibility

Recall our teenager whose family and social circle all left school at 16. She is likely to see a mismatch between the identities rooted to her social class (e.g., family and neighborhood) and the identity that she believes is held by someone who works hard at school or who is a university student. This is reflected in research findings: one study (Iyer, Jetten, Tsivrikos, Postmes, & Haslam, 2009) found that working-class secondary school students—in comparison to middle-class students—were more likely to feel that their social background was incompatible with being a university student, and less likely to expect to feel connected to other university students.

Our own research has extended these findings. In an ongoing program of research, we have found that 14- to 16-year-old school pupils in the UK who were eligible for free school meals reported feeling that their social backgrounds were incompatible with doing well in school. Furthermore, this was associated with weaker academic self-beliefs such as self-efficacy, and poorer performance on national exams (known as GCSEs), *even after accounting for previous exam results* (Easterbrook, Nieuwenhuis, Fox, Harris, & Banerjee, 2018).

Identity compatibility is also related to the rank of the universities to which school students apply (Nieuwenhuis, Manstead, & Easterbrook, 2019). In two studies, we found that students whose parents had low levels of educational attainment scored lower on identity compatibility, and that this was associated with a belief that they would be less likely to be accepted at two prestigious local universities. This belief, in turn, predicted the league table ranking of the university to which the students planned to apply, with those who believed they would be less accepted at the prestigious universities intending to apply to lower ranked universities. Crucially, these relations were maintained even when we took account of their academic achievement.

A sense that one's class-based identities are incompatible with doing well or progressing in education therefore seems to be a psychological barrier to educational achievement and progress for those from lower social classes in the UK.

Social and Cultural Factors

When do lower-class students have lower levels of identity compatibility and suffer from stereotype threat? In line with the identity-in-context model, we argue that this occurs when one or more of the following social and cultural factors are salient within the local context: expectations are prevalent that lower-class students will underperform in education; lower-class students are not positively represented within education; and lower class families are not positively disposed toward education. When some or all of these social and cultural factors are prominent, we suggest that they interact with the class-based social identities of lower-class students to ignite feelings of identity incompatibility and social identity threat, thus fueling class-based educational inequalities. We now discuss each of these social and cultural factors in turn.

Negative In-Group Performance Expectations

Negative Stereotypes There are prominent negative stereotypes about the educational performance of some groups, which imply that these groups have low status within that context. Those from lower social classes are subject to such negative stereotypes in part because most western societies endorse a meritocratic ideology, which holds that an individual's status is a direct consequence of their individual ability and effort. This ideology legitimizes inequality by placing blame on those with low status for their low-status position (Bourdieu & Passeron, 1977; Jackman, 1994; Kuppens et al., 2017) and feeds into prominent stereotypes that those who are in the lower social classes have lower intelligence and are less competent (Durante & Fiske, 2017; Fiske & Durante, chapter "[Mutual Status Stereotypes Maintain Inequality](#)").

There are many examples of the negative stereotypes that apply to those from lower social classes. For example, in the UK, several popular television programs have portrayed families on low incomes or benefits as being lazy and lacking motivation to engage in economic activity (e.g., *People Like Us*, *Benefits Street*, *Skint*; see also Augoustinos & Callaghan, chapter “[The Language of Social Inequality](#)”; Jones, 2011). Although little work has directly investigated the consequences of such media, there is evidence that media portrayals are readily internalized (Brown & Dittmar, 2005) and filter down into awareness and social attitudes (Diermeier, Goecke, & Niehues, 2017). Indeed, supporting this suggestion, one study found that Swedish respondents described the stereotypes about “poor citizens” using terms such as “lazy,” “uneducated,” “unintelligent,” “dishonest,” and “work-shy” (Lindqvist, Björklund, & Bäckström, 2017). Other work has shown that people associate derogatory lower-class labels—such as chavs in the UK, bogans in Australia, and white trash in the USA—with animal traits (Loughnan, Haslam, Sutton, & Spencer, 2013). Moreover, Shutts, Brey, Dornbusch, Slywotzky, and Olson (2016) found that children as young as four expected ostensibly wealthy children to be more popular and to be less likely to make a mistake in a coloring task than ostensibly poor children. Awareness of these negative stereotypes by lower-class students is likely to indicate to them that people like them are not valued within education, and thus induce a sense of stereotype threat. This can trigger anxiety, defensive mechanisms such as disengagement, and/or use up cognitive resources, all of which act as additional barriers that impede lower-class students from achieving their potential within education.

Such stereotypes not only elicit stereotype threat among lower-class students but are also perceived as prescriptive by those working within education. People not only come to expect members of the lower classes to perform poorly in their exams and leave education early, but are often biased in ways that help to make these expectations a reality. For example, one study found that teachers gave a lower mark to an *identical* essay when there were subtle cues that the student who wrote it was from a lower-class background (Batruch, Autin, & Butera, 2017; chapter “The Paradoxical Role of Meritocratic Selection in the Perpetuation of Social Inequalities at School”), suggesting that teachers’ expectations about the performance of pupils from different social classes influence their judgement of students in ways that reinforce those stereotypes.

Historical Educational Underperformance Evidence also suggests that stereotype threat can be ignited—and thus a group’s social identity threatened or an existing threat exacerbated—if group members are confronted with *objective evidence* that their group has previously underperformed. One study (Leyens, Desert, Croizet, & Darcis, 2000), for instance, found that men who were told that males historically underperformed on an affective processing task made more errors on the task compared to men who were not told this. The manipulation did not affect the men’s performance on other tasks, nor the performance of women. Furthermore, some researchers have found that an intervention that has been shown to reduce the inimical effects of stereotype threat was only effective for potentially-stereotyped groups

(in this case, Black and Hispanic students in the USA) when those groups had previously performed poorly in comparison to White students in the local context (Borman, Grigg, Rozek, Hanselman, & Dewey, 2018; Hanselman, Bruch, Gamoran, & Borman, 2014). This suggests that stereotype threat can be elicited or exacerbated by objective evidence of group underperformance within the *immediate context*, even in the absence of a prevalent negative stereotype.

Lack of Positive In-Group Representations Within Education

As our examples have illustrated, the routes that people take in life are heavily influenced by their perceptions of what *people like them* have done. These perceptions have two core sources that apply to education: people's awareness of successful in-group members (role models), and the number of in-group members that people can see in high-achieving institutions (numerical representation).

Role Models When lower-class students see people like them—people from similar families, neighborhoods, or communities—who have done well in education, they are more likely to believe that they themselves could follow the same path. They come to see their academic work as a path to success and as consistent with who they are. As a result, they are more likely to engage with school and to see the inevitable difficulties as something they can overcome (Oyserman, Bybee, & Terry, 2006). Without such role models, a successful path through education may not seem viable.

Although lower-class students may be exposed to many individuals who have gone to university and succeeded in education (teachers, celebrities etc.), they are likely to have limited exposure to *in-group members with whom they identify* who have done so: their own family members, close friends, and members of their local community. This is the crucial ingredient that makes role models beneficial (Dasgupta, 2011; Turner, 2006). Indeed, evidence has shown that merely being aware of role models does not automatically increase educational success (Ellemers & Van Laar, 2010), and that role models who are presented as exceptions rather than as typical in-group members are unlikely to be motivating because their trajectory and success is not perceived as self-relevant (Gibson & Cordova, 1999).

This may be especially relevant to lower-class students because those from lower-class backgrounds, who do achieve and progress in education, may disassociate themselves from their lower-class background—and the social identities associated with it—as a way of reinforcing their new higher-status position (representing a form of social mobility; Ellemers, van Knippenberg, De Vries, & Wilke, 1988; Van Laar, Derks, Ellemers, & Bleeker, 2010). Thus, those from lower-class backgrounds who have been successful in education might not be perceived as (or perceive themselves to be) typical in-group members by lower-class students.

This can be overcome if individuals from lower-class backgrounds who have been successful in education are open about their past and their life story and make

themselves visible to lower-class students. For example, in one study, Latino school students—for whom studying Science, Technology, Engineering, or Mathematics (STEM) subjects tends to be perceived as incompatible with their background—who attended a talk by a successful Latino aerospace engineer were more likely to believe that someone from their background could become a scientist, compared to those who did not attend the talk (Hernandez, Rana, Rao, & Usselman, 2017).

Our own work has applied these ideas to social class. We first created a new measure that specifically taps into the importance of role models being *people like me*: respondents are asked how strongly they agree with statements such as *I know personally some people who benefited from going to university*. Our results to date have shown that working-class 16- to 18-year-old UK college students, who were more aware of role models from their background, reported higher levels of identity compatibility and belonging to college, and, in turn, higher academic self-belief and fewer academic concerns (Easterbrook, 2018; Easterbrook et al., 2018).

Numerical Underrepresentation Imagine a working-class teenager who is considering applying to a prestigious university and who attends an open day at that university. He looks around and sees hardly anyone with whom he identifies; everyone is wearing different clothes, acting differently, and even speaking differently to what he is used to and feels comfortable with. He interprets all this as a sign that he is not welcome there and that he will not fit in: that his social identity is not valued within this context.

As this example shows, being in a minority is likely to reduce the comfort and ease that people feel in a situation. Because lower SES students are less likely to attend high-ranking universities and are thus underrepresented within them, they tend to perceive high-ranking universities as less welcoming to *people like me* and expect to feel less accepted by them (Nieuwenhuis et al., 2019).

However, the research suggests that numerical underrepresentation within education may not by itself lead to underperformance but does so only if it is coupled with a negative expectation about the group in question. For instance, research has shown that female—but not male—students' performance in math tests suffers as the proportion of males in their class increases (Flore & Wicherts, 2015; Inzlicht & Ben-zeev, 2000). Other studies found that an intervention that reduces the negative consequences of stereotype threat was only effective for potentially-stereotyped group members when they were in a numerical minority *and* had historically underperformed (Borman et al., 2018; Hanselman et al., 2014), suggesting that stereotype threat may only be elicited when underrepresentation is coupled with prior poor performance. These studies suggest that a lack of numerical representation exacerbates any pre-existing concerns that individuals have about fitting in rather than being a primary cause, although direct tests of this hypothesis are needed before we can draw firm conclusions.

Although there is little direct evidence of a negative psychological impact of low numerical representation on economically disadvantaged individuals, there is some evidence consistent with it. Lower-class students in England make significantly less

academic progress in primary schools where they are in a particularly small minority, and there is a similar but less pronounced effect in secondary schools (Hutchinson, Dunford, & Treadaway, 2016; but see Schweinle & Mims, 2009).

Negative In-Group Disposition Toward Education

Cultural Capital Although “culture” is usually taken to refer to social and cultural differences between nations, researchers have suggested different classes occupy different cultures (Stephens, Markus, & Phillips, 2014). Those in different classes have different life experiences, prioritize different values, abide by different norms, and base their decisions on different factors, which influence how they navigate life and interact with various cultural institutions. As we describe below, the culture within lower-class communities is often at odds with the culture that is adopted by and promoted within educational institutions. This disadvantages lower class students, partly because it elicits the social identity processes that we outlined above.

Perhaps the most influential theory about class culture is that of Bourdieu (Bourdieu, 1984, 1985). He described how social classes consume different cultural, material, and aesthetic products, and become socialized toward different social and cultural institutions. Bourdieu argued that, because the education system has traditionally been the realm of the middle and upper classes, educational institutions are steeped in the values of those classes. Members of those higher classes therefore feel comfortable within educational institutions and understand how to navigate them successfully. Bourdieu termed this tacit understanding of and orientation toward higher-status institutions *cultural capital*.

Bourdieu argues that the cultural capital that orientates the higher-classes toward higher-status institutions often goes unnoticed. This is because people in the Western societies tend to endorse the ideology of meritocracy and perceive education to embody the principle of equality of opportunity, leaving little room for class-based privileges to be perceived. This is why Bourdieu claims that cultural capital is “a social gift treated as a natural one” (Bourdieu 1974, p32): educational institutions are set up in ways that privilege the higher classes, yet most people believe that it is through the intelligence and hard work of individuals that educational success is achieved (Batruch et al., chapter “[The Paradoxical Role of Meritocratic Selection in the Perpetuation of Social Inequalities at School](#)”).

Stephens and colleagues (Stephens, Fryberg, Markus, Johnson, & Covarrubias, 2012; Stephens, Townsend, Markus, & Phillips, 2012) have linked differences in cultural capital to a sense of identity compatibility and academic performance among US university students. They found that both middle-class students and administrators in top universities prioritized values that emphasized *independence*, such as expressing oneself and working independently. In contrast, working-class students’ values emphasized *interdependence*: they were more likely to value working with others and helping their family. This clash in the value priori-

ties held by working-class students and those prioritized by universities fuels a sense of threat and incompatibility among working class students. Stephens and colleagues demonstrated this in several studies by presenting working- and middle-class university students with one of two welcome letters from their university (Stephens, Fryberg, et al., 2012; Stephens, Townsend, et al., 2012). One emphasized independence, outlining how students were expected to learn by exploring their own interests, expressing their own ideas and opinions, and participating in independent research. The other letter emphasized interdependence, focusing instead on how students would learn by being part of a community, connecting with fellow students and faculty, and participating in collaborative research. Among those who read the independent-focused letter, working-class students (relative to middle-class students) showed higher levels of cortisol, indicating higher stress levels and performed worse on difficult tasks. However, these differences were eliminated in the group that read the letter emphasizing interdependence.

Although this research was conducted in the USA, we have begun to conduct similar research in the UK. Our results to date (Easterbrook, 2018) show that students attending colleges in more economically deprived areas are more likely to prioritize interdependent over independent reasons for going to university, and that the extent to which they do so predicts how much they expect to feel like they do not belong at university.

Little Value Placed on Education A lack of cultural capital among lower-class families can make lower-class students feel like they do not understand the culture nor fit in at university, and therefore fuel a sense of incompatibility and threat. But it can also affect parents. Some parents who have low levels of cultural capital may have felt uncomfortable and even alienated when they were at school and may still feel the same unease when their own children enter the education system (recall the second quote at the beginning of this chapter). This can lead them to place a low value on education (Heckman, 2011), to expect less from their child's education (Shanks & Destin, 2009; Zhan, 2006), and to be less involved and engaged in it (Te Wang & Sheikh-Khalil, 2014; Williams Shanks & Destin, 2009). This is particularly problematic because parental involvement has a strong impact on children's school outcomes across all ages (Huat See & Gorard, 2015). If parents do not value education or get involved in their children's education, their children are likely to absorb these dispositions and reflect them within their own values and social identities, fueling a sense of identity incompatibility and social identity threat. Lower-class families' disposition toward education, whether tacit (cultural capital) or explicit (how much value they place on education), underpins class-based educational inequalities and perpetuates them from generation to generation.

Practical Use of the Identities-in-Context Model

In this chapter, we have argued that students interpret the local educational context through their class-based social identities, and that, when the social and cultural factors outlined in the model are prevalent in the local context, lower-class students experience a sense of identity incompatibility and social identity threat that leads to lower performance, motivation, and self-beliefs. However, the model is not limited to class-based inequalities and should aid our understanding of inequalities in education between any groups subject to the social and cultural factors outlined in the model. At this point, we would like to suggest how the model may be able to inform future attempts to reduce educational inequalities.

There is now a considerable literature on interventions that target specific psychological processes to address social issues, including educational inequalities (Harackiewicz & Priniski, 2018; Walton, 2014; Yeager & Walton, 2011). However, the effectiveness of many of these interventions seems to vary across contexts because of environmental factors that in some cases are not yet well understood. This makes it premature to base policy recommendations and large-scale implementation on the evidence that is currently available. The identities-in-context model is our attempt to provide a theory-based framework for understanding this contextual variation.

We suggest that researchers should gain an understanding of the social and cultural factors specified in the model within their local educational context before choosing or designing an intervention. If the factors are present and applicable to a particular group within the local context (e.g., if a group has few role models within the local context), then we suggest that *social psychological interventions that target the social identity processes outlined in the model are likely to be effective at reducing the educational inequalities for that group in that context*. If the factors are absent or do not apply to the focal group, then social psychological interventions of this kind are unlikely to be successful.

An illustrative example may help here. Values affirmation, also known as self-affirmation, is a promising intervention that can alleviate the negative consequences of stereotype threat and thus reduce educational achievement gaps (see Cohen & Sherman, 2014). The intervention usually involves a few simple writing exercises, strategically placed throughout the year, in which pupils write about their most important values. This is thought to encourage them to view the threat within the broader context of their lives, reducing its salience and severity. One of the first and most high-profile values affirmation studies—conducted in a US high school by Cohen and colleagues (Cohen, Garcia, Apfel, & Master, 2006)—found that the intervention reduced the achievement gap between African Americans and European Americans by 40%. Our own research recently examined the impact of values affirmation in a secondary school in England (Hadden, Easterbrook, Nieuwenhuis, Fox, & Dolan, 2019). Students from low-income families who performed the values affirmation reported lower levels of stress and closed the gap in maths performance

with their better-off peers by 62%. Yet, in contrast to Cohen's study, we found no effect of the affirmation on the performance of ethnic minorities.

We suggest that this variation is due to differences in the social and cultural factors within the local educational contexts in the two studies. Cohen and colleagues' study, for instance, was conducted in the USA, where African Americans are under-represented in high-status roles and subject to negative stereotypes about their academic ability. Within the school in which the study was conducted, African Americans had consistently underperformed in comparison to whites. The presence of these social and cultural factors within the school is likely to threaten the social identity of African Americans so that an intervention that reduces the consequences of stereotype- or social identity-threat is likely to be effective for that group.

Although ethnicity is also a salient issue in the UK, British society has historically been segregated more by social class than ethnicity, and negative stereotypes about lower-class people abound (Jones, 2011). Within the school that our study was conducted in, lower-class students had consistently performed worse than higher-class students, with an achievement gap that was much larger than that based on ethnicity. We expected therefore that the social and cultural factors would be more relevant to lower-class students than ethnic minority students in the UK context, and so the values affirmation intervention would be more likely to benefit lower-class students. Researchers have begun to quantify some of these social and cultural factors. For example, two recent values affirmation studies found that the intervention was only effective for ethnic minority students if there was a pre-existing achievement gap between ethnic groups *and* the group was numerically underrepresented (Borman et al., 2018; Hanselman et al., 2014).

Our model provides an overview on how social and cultural factors within local educational contexts influence educational inequalities. However, it is also important to recognize that the wider societal context—and particularly the level of economic inequality in the society—is also likely to influence the prevalence and importance of the social and cultural factors. In more unequal societies, for instance, people perceive low-status individuals to have less merit and worth (Heiserman & Simpson, 2017), suggesting there may be more negative expectations toward those with low status. Furthermore, those in more unequal societies show a greater endorsement of ambivalent stereotypes that function to legitimize the status quo; they perceive the rich as more competent but less warm, and the poor as less competent and but warmer (Fiske & Durante, chapter “[Mutual Status Stereotypes Maintain Inequality](#)”). Our model predicts that this greater endorsement of ambivalent stereotypes is likely to lead to a greater sense of threat among those from economically disadvantaged backgrounds in areas where competence is valued, such as education. This would in turn lead to greater educational inequalities. Furthermore, through long-term recursive processes, these initial increases in stereotype threat could lead lower-class students to defensively disengage from educational domains, and lower-class families to become more and more negatively disposed toward education. Thus, the level of economic inequality in a society may amplify or inhibit certain social and cultural factors and thereby exacerbate educational inequalities between social classes. Indeed, these predictions are in line with research that has

found that greater societal inequality amplifies the gender performance gap in mathematics (Breda, Jouini, & Napp, 2018).

Our model provides a theoretical framework that should help to progress social psychological research into educational inequalities and that encourages researchers to be sensitive to the social and cultural context when designing and choosing educational interventions. Ultimately, we hope that our model contributes to work that eventually reduces the psychological barriers faced by some of the most disadvantaged groups in our society, helping them to achieve their potential and reap the benefits of a successful education.

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The Paradoxical Role of Meritocratic Selection in the Perpetuation of Social Inequalities at School



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The term “meritocracy” might have only appeared in 1959 in a dystopian novel, but the concept of merit itself had already been a central feature of eighteenth-century intellectual movements that sought to replace power structures in society based on ascribed social positions with democratic governments (Falcon, 2013). Providing equal rights to all citizens was believed to increase the chances that individual destinies in a democracy depend on one’s effort and abilities instead of the luck of being well-born. This idea was later extended to educational institutions in the course of the twentieth century, culminating with the Universal Declaration of Human rights, which officially proclaimed that “Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit (...)” (UN General Assembly, 1948, art. 26). Educational institutions were since then gradually given the societal responsibility to (1) provide equal access to all children in the first stages of education and (2) assess students’ merit to determine which students can pursue higher education. Nowadays, these two tasks assigned to educational institutions form the cornerstone of a meritocratic society. Given the importance in terms of outcomes for individuals (i.e., high levels of education are associated with higher income, better health, and well-being; Easterbrook, Kuppens, & Manstead, 2016; see also Easterbrook, Hadden, &

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Nieuwenhuis, chapter “[Identities-in-Context: How Social Class Shapes Inequalities in Education](#)”), it seems essential to evaluate whether educational institutions actually fulfill their societal tasks to ensure a meritocratic society.

The results of several international surveys question whether this is the case. When looking at educational outcomes (i.e., performance and educational attainment) across social groups, it appears that disadvantaged group members tend to perform worse at school than students from more advantaged social backgrounds and achieve lower levels of educational attainment (OECD, 2013a). This fact in itself does not necessarily contradict the argument that educational institutions follow the meritocratic principle. In theory, at least, it could be that merit (i.e., abilities and/or effort) is not equally distributed at birth among social groups and that schools fairly reward the best students.

In this chapter, however, we argue that differences in educational outcomes can be partly attributed to schools themselves (Adams, Biernat, Branscombe, Crandall, & Wrightsman, 2008). We present a series of studies that investigate how the interaction between educational institutions and students’ social class can produce inequalities. This work moves beyond the static description of social class differences (e.g., culture, language, school readiness) by examining institutional factors that transform initial status differences into educational inequalities. Such a social psychology of social class inequalities in education offers new insights by providing evidence of the causal effect of some institutional factors in the maintenance of social class inequalities. Specifically, we review evidence that (1a) the prevalent discourse and practices in educational institutions generate differential psychological experiences for (dis)advantaged students, thereby affecting their performance; (1b) the origins of these nonmeritocratic outcomes are concealed by the meritocratic construal of educational settings; and (2) the selective practices in education encourage a nonmeritocratic distribution of academic opportunities and rewards (i.e., evaluators produce biased assessments). In sum, inequalities in school may not just reflect individual failures in an otherwise functional meritocratic system. Instead, we propose that they are perpetuated by educational institutions through their use of the meritocracy concept.

What Is Meritocracy?

The merit principle—or equity principle, as it is also commonly referred to—is a distributive justice principle that regulates the allocation of resources based on individual input or ability, as opposed to the principles of equality, proportionality, or need (Deutsch, 1979). A society is considered meritocratic when it puts into place a system that rewards a person’s competence and effort, rather than status, worth, or supposed merit of this person’s group (Son Hing, Bobocel, & Zanna, 2002). Inequalities can still occur in a fair meritocratic society if the unequal allocation of resources reflects differences in individual efforts and abilities (i.e., merit; Deutsch, 1979). In other words, a society based on the merit principle guarantees equality of

access to resources for all groups and persons, rather than equality of outcomes, which is determined by each person's merit.

In Western countries, meritocracy is a norm with wide support from both individuals and institutions (even though individuals vary in the extent of their endorsement; Duru-Bellat & Tenret, 2012; Jost & Hunyady, 2005; Son Hing et al., 2011). One possible reason for the preeminence of meritocracy is that it is seen to serve as a justice principle (providing rules to determine how resources should be distributed). In addition, from a functionalist perspective, meritocracy is seen as a means of encouraging effort and maximizing individual output in society more generally (Mijs, 2016a). In such a society, the rewards of merit should incentivize individuals to demonstrate their ability and/or invest more effort. In theory at least, meritocracy leads to fair—in the sense of equitable—resource allocations and more productive societies.

Paradoxical Effects of Meritocracy

Yet, social psychology has provided evidence that the application of the principle of meritocracy is associated with beliefs, behaviors, and practices that could perpetuate inequalities that are not based on merit. If a meritocratic society ensures that the most deserving individuals are rewarded, the corollary is that individuals who are rewarded are the most deserving and those who fail have themselves to blame. This assumption has a number of psychological implications that can lead to the further justification and legitimation of social inequalities by masking initial privileges and disadvantages of social groups (Day & Fiske, chapter “[Understanding the Nature and Consequences of Social Mobility Beliefs](#)”). For instance, experiments conducted by McCoy and Major (2007) showed that priming meritocracy was associated with increased levels of justification of status inequalities for disadvantaged group members. Relatedly, Knowles and Lowery (2012) found that meritocracy reduced perceptions of racial privilege among highly identified white individuals. In sum, the concept of meritocracy appears to be related to perceptions and beliefs minimizing or justifying the existence of social inequalities.

In addition, the concept of meritocracy can also provide moral and intellectual justifications that support the resistance of the implementation of practices that could reduce current intergroup inequalities. Believing that a society is meritocratic (i.e., descriptive meritocracy) is associated with opposition to organizational selection practices challenging the status quo in favor of disadvantaged group members (e.g., affirmative action), regardless of the extent to which individuals endorse merit as a justice principle (i.e., prescriptive meritocracy; Son Hing et al., 2011). Endorsement of meritocracy among highly educated individuals also predicts opposition to affirmative action policies (Faniko, Lorenzi-Cioldi, Buschini, & Chatard, 2012). In the field of education, beliefs in school meritocracy were found to be negatively associated with interest in implementing an equalizing pedagogical method, or an intention to do so (Darnon, Smeding, & Redersdorff, 2017).

Interestingly, the pursuit of meritocracy can even lead managers to enact *nonmeritocratic* behavior. Castilla and Benard (2010) demonstrated that managers favored men over equally competent women for institutional rewards when meritocracy was explicitly promoted in an organization. In sum, meritocracy is supposed to promote equal opportunity. However, by representing the current system as fair, it may actually lead individuals to endorse beliefs and practices that could reproduce and legitimize initial intergroup inequalities based on social status and not merit.

Meritocracy in Education

In schools, meritocracy manifests as the belief that academic success reflects the hard work and ability of students. Despite evidence that seemingly unrelated factors such as students' group membership can also influence students' performance (e.g., OECD, 2014), meritocratic norms are not only prevalent in schools but also encouraged by educational institutions (Duru-Bellat & Tenret, 2009). Indeed, research in sociocultural psychology points out that schools are cultural environments where students are taught both academic content and valued norms that define how academic success is to be interpreted (Mijs, 2016a; Plaut & Markus, 2005). Supporting this proposition, a large body of research has revealed that students who are seen to attribute their academic success or failure to factors that are congruent with the meritocratic principle (i.e., providing internal explanations for their behavior rather than external explanations such as the difficulty of the task or the help/hindrane of others) are given better scholastic judgments by teachers (Dompnier, Pansu, & Bressoux, 2006; Tyler, Boykin, & Walton, 2006). Indeed, when asked to present themselves positively to teachers, students prefer to attribute success and failure to internal rather than external attributions (Pansu, Dubois, & Dompnier, 2008). These results suggest that students clearly understand that a meritocratic interpretation of their performance (i.e., in terms of effort and ability) is more valued in the classroom context.

Importantly, several lines of psychological research show that the meritocratic ideal conveyed in educational settings contributes to the achievement gap between advantaged and disadvantaged students at the same time as it conceals this contribution (see also Rubin, Evans, & McGuffog, chapter "[Social Class Differences in Social Integration at University: Implications for Academic Outcomes and Mental Health](#)"). These lines of research build on Bourdieu and Passeron's (1977) social reproduction theory, which contends that academic norms, values, and standards are not culturally neutral, or "objective," but in fact reflect some cultural arbitrariness (i.e., the arbitrary promotion and reward of certain forms of language, knowledge, behaviors, bodily postures, and attitudes). Higher social class children are socialized at home to adopt norms, behaviors, and forms of knowledge that are closer to academic norms than those adopted by lower social class children (see also Lareau, 2003). As a consequence, higher social class children start school with a cultural and symbolic advantage that is not derived from merit (Goudeau, Autin, & Croizet, 2017). This privilege allows them to feel at ease and adequate in the school environ-

ment because expected academic behaviors are congruent with the ones taught at home (Manstead, 2018; Stephens, Fryberg, Markus, Johnson, & Covarrubias, 2012). Lower social class students, on the other hand, have to understand that their behavior is not valued in this context (e.g., Reay, Crozier, & Clayton, 2010). They will further need to recognize the specific school expectations to adapt their behavior in ways that feels natural to them and appear authentic to others (Goudeau & Croizet, 2017; chapter “[Education and Social Class: Highlighting How the Educational System Perpetuates Social Inequality](#)”; Lehmann, 2013). However, educational institutions do not explicitly recognize the arbitrariness of their norms and standards. In doing so, perhaps inadvertently, the school system conveys that the middle-upper-class culture is inherently of greater value. This leads students to believe that the differences due to familiarity and comfort with school culture are in fact reflections of students’ merit (Easterbrook et al., chapter “[Identities-in-Context: How Social Class Shapes Inequalities in Education](#)”).

Darnon and collaborators (2018) presented a recent illustration of how schools’ meritocratic discourse contributes to patterns of achievement that perpetuate social inequalities, while concealing these inequalities by leading students to attribute these patterns of achievement internally. In their experiment, fifth-grade students were reminded that schools are meritocratic and reward ability and motivation (Darnon, Wiederkehr, Dompnier, & Martinot, 2018). Compared to the control condition, the merit condition increased the socioeconomic status (SES) performance gap in a French language and a mathematical task. Moreover, belief in school meritocracy was a mediator of the effect, suggesting that this ideology plays a role in the reproduction of inequalities. Finally, the authors observed that higher SES students displayed higher self-efficacy than lower SES students. This finding can be interpreted as an internalization process through which students misattribute their unequal familiarity with the school culture to differences of academic ability (see also Wiederkehr, Darnon, Chazal, Guimond, & Martinot, 2015). Other psychological work also highlights the paradoxical effects of meritocracy in educational settings. These research lines examine how meritocratic construal embedded in the structure of educational institutions differently impact the academic experience and performance of disadvantaged students.

Social Comparison in the Classroom By organizing classrooms around common features (same students’ age and similar learning content), educational systems communicate that offering students the same resources is a sufficient condition to render performance and abilities directly comparable (Croizet, Goudeau, Marot, & Millet, 2017). Goudeau and Croizet (2017, chapter “[Education and Social Class: Highlighting How the Educational System Perpetuates Social Inequality](#)”) investigated the effects of social comparison practices and challenged the idea that educational contexts are neutral settings that allow for true potential and ability to shine through.

Because of the unequal familiarity with school culture, classroom practices that increase the visibility of performance can contribute to the emergence of social comparison processes that disrupt lower social class students’ performance. As lower social class students may not realize that higher social class students benefit from cultural privileges, they are likely to infer that they do not possess the same

level of competence. Paradoxically, it could be the appearance of fairness of the merit principle that encourages students and teachers to engage in such inferences (Croizet, 2008; Croizet & Dutrévis, 2004; Croizet & Millet, 2012). The differences in competence and performance are interpreted as differences in ability instead of differences in cultural (dis)advantage, which threaten lower social class students' self-image and amplifies the social class performance gap.

Goudeau and Croizet (2017, chapter “[Education and Social Class: Highlighting How the Educational System Perpetuates Social Inequality](#)”) supported these theoretical assertions with a series of experimental studies in which the visibility of the performance in classrooms was manipulated by having children raise their hands upon test completion, as it often happens in classrooms. The results showed that such comparative settings contribute to the social class achievement gap by undermining the performance of lower social class students. The researchers went one step further in another experiment and created an arbitrary academic disadvantage by making students more or less familiar with a coding task depending on the experimental condition. The experimentally disadvantaged students underperformed but the disadvantage was enhanced when performance was visible. However, making students aware of the disadvantages eliminated their underperformance. This work demonstrates that settings allowing the inference that the advantages some students possess are due to merit rather than social class magnify social inequalities.

Cultural Mismatch Another line of research, based on cultural mismatch theory, suggests that cultural norms conveyed at universities disrupt lower social class students' performance (Stephens et al., 2012). American universities display and implement norms and values of independence, which correspond to higher social class upbringing. Experiencing a cultural match between one's values and the institution's values would allow individuals to feel they belong in the institution and better focus on tasks; on the contrary, experiencing a cultural mismatch should induce feelings of threat and doubt, making tasks harder to achieve (Stephens et al., 2012; see also Easterbrook et al., chapter “[Identities-in-Context: How Social Class Shapes Inequalities in Education](#)”; Rubin et al., chapter “[Social Class Differences in Social Integration at University: Implications for Academic Outcomes and Mental Health](#)”). To test this hypothesis, a welcome letter was experimentally manipulated to reflect either independent or interdependent norms and presented to first-year students. After reading the letter, participants completed an anagram task. In the “independent message” condition, the results replicated the classic pattern of achievement gap between first-generation students (i.e., neither parent went to university) and continuing-generation students (i.e., at least one parent went to university). The gap was reduced when the letter presented a message based on an interdependent norm. These results are also congruent with many previous qualitative and intervention studies showing that lower social class students in higher education feel like they do not belong in the institution, causing them to question their chances of academic success (Jetten, Iyer, Tsivrikos, & Young, 2008; Jetten, Iyer, & Zhang, 2017; Johnson, Richeson, & Finkel, 2011; Jury et al., 2017; Ostrove & Long, 2007; Walton & Cohen, 2007, 2011).

The meritocratic construal of educational settings conceals the process of cultural mismatch and the academic consequences endured by these students. Results of an intervention study further confirmed this process. Providing information for academic success increased lower social class students' grade when the information was presented as social class-specific advice more than when it was presented as generic academic advice. Addressing difficulties associated with one's social class provided a framework that gave meaning and understanding to the difficulties experienced. Students improved as they realize that their feelings of "being at the wrong place" were not due to their incompetence but caused by their comparative unfamiliarity with the university context (Stephens, Hamedani, & Destin, 2014).

Institutional Attitudes Toward Social Class Diversity Other research has shown that students' academic motivation and self-concepts can be affected by educational institutions' creation of (un)welcoming environments toward diversity. Browman and Destin (2016) drew from principles of identity-based motivation theory (Oyserman & Destin, 2010) to propose that when situational cues suggest that a domain-relevant context is a good fit for a person, that person has a better chance of feeling confident in that domain, is more likely to develop high feelings of self-efficacy, and is more willing to pursue domain-relevant goals (i.e., greater domain-relevant motivation). Two experiments demonstrated that when exposed to cues indicative of the institution's warmth (positive and welcoming attitudes) toward socioeconomic diversity, lower social class students displayed greater academic efficacy, higher expectations, and more implicit associations with high academic achievements. Warmer (more inclusive) compared to chillier institutional messages also led students to perceive more socioeconomic diversity in their institution and to feel that their background was a better match with the other students.

Taken together, these lines of research present a convincing case for the role of educational institutions in the reproduction of inequalities. Providing equality of opportunity is not sufficient to build a merit-based system: Even if opportunities (e.g., institutional rules for success and failure) are equal, taken-for-granted institutional practices and values confer some privileges to higher social class students and induce daily academic and psychological difficulties for lower social class students. As these (dis)advantages go unacknowledged in a supposedly meritocratic system, lower social class students can only assume that they are personally responsible for trailing behind.

Meritocracy and the Function of Selection of Educational Institutions

Recent work further shows that the very structural practices designed to quantify students' merit (e.g., assessment) could also contribute to the SES achievement gap. As mentioned in the human declaration of human rights, to safeguard social mobility, educational institutions are given two simultaneous, at times competing, tasks.

The first is to provide all students with equal access, treatment, and learning opportunities. The second is to assess the students to determine who deserves the opportunity of pursuing higher education at a later stage. These two tasks represent two distinct functions of the educational institution (Darnon, Dompnier, Delmas, Pulfrey, & Butera, 2009; Dornbusch, Glasgow, & Lin, 1996; Madero Cabib & Madero Cabib, 2013). The first is referred to as the school's educational function of school (imparting all students with the same knowledge and skills) and the second as the school's selection function (ranking and sorting of students for different academic rewards and opportunities).

The Selection Function and Students' Performance Even if the function of selection officially relies on meritocratic principles—educational selection is supposed to reflect students' individual merit (Autin, Batruch, & Butera, 2015)—several studies have found that this function has detrimental effects on the performance of low-SES students. In a field study, students were told either that assessment in their class was designed to help them learn (i.e., the educational function of assessment) or that assessment was used to select the best among them (i.e., the selection function of assessment). The results showed that assessment intended to select harmed the academic achievement of low-SES students (Smeding, Darnon, Souchal, Toczek-Capelle, & Butera, 2013, Study 3). Specifically, in the selection condition, the usual social class achievement gap was replicated, whereas it was reduced when assessment was presented as a way to learn and improve. Even reminding students of the selection function of universities (i.e., to identify the best students, the few who deserve access to the highest social positions) hindered the performance of first-generation students compared to continuing-generation students (Jury, Smeding, & Darnon, 2015). These studies illustrate that presenting evaluation as a way to objectively identify those who have the greater merit contributes to the SES performance gap. The structural functioning of the institution (i.e., its selection function) appears to be a mechanism responsible for the underachievement of low-SES students.

The Selection Function and Evaluators' Behavior A subsequent set of experiments went one step further by demonstrating that the principle of meritocratic selection plays a role in the perpetuation of inequalities by evaluators. While previous work demonstrated educational institutions' effect on students' performance, these studies investigated how students' performance is judged and used by evaluators during the selection process. The hypothesis was that even if students perform equally, the function of selection leads evaluators to create an SES-achievement gap.

Given that traditional grades remain a widely used criterion for making selection decision (e.g., program admission; OECD, 2013b), a first paradigm focused on assessment practices. A correlational study established that support for this assessment practice (i.e., grading) was associated with believing in the function of selection of schools, because this assessment practice is viewed as fulfilling a meritocratic principle (equitably reward students) and associated with lower support for alternative practices (e.g., comments; Autin et al., 2015). In a set of experiments, evaluators were asked to assess a dictation test by using either a selective assessment method (i.e., grading) or an educational assessment method (i.e., providing comments;

Autin, Batruch, & Butera, 2019). The test was presented as produced by a low- or high-SES student; importantly, performance was kept constant (the same number of mistakes). The evaluators, however, found more mistakes if the test was attributed to a low-SES student than a high-SES student, only when participants used a selective assessment method (i.e., grading). To further ascertain that the creation of the SES-performance gap was due to the selective component of grading, the function of the assessment (selection vs. educational) was directly manipulated in two studies. The results suggested that the selective purpose of the assessment, rather than the assessment tool itself (i.e., grading), led evaluators to artificially create an achievement gap between students of advantaged vs. disadvantaged background.

Batruch, Autin, Bataillard, and Butera (2019) turned to another influential and widespread practice of meritocratic selection in school, namely tracking: the grouping of students as a function of their academic achievement into classes or curricula preparing them for either a vocational or an academic path. Two studies tested whether using a selection practice such as tracking would lead teachers or students playing the role of teachers to find higher-SES students more suitable than lower-SES students for a higher academic track (and vice versa for a lower track), in spite of identical prior performance (Batruch et al., 2019). The studies resembled actual tracking dilemmas that can occur in the Swiss system where teachers and the principal can offer a second chance to pupils who are borderline for the higher track (i.e., slightly below official standards). The results revealed that this opportunity was more readily offered to high-SES students than to low-SES students, given the same prior performance. A third study manipulated the school's function. The Swiss school system was presented as either primarily serving a selection function (i.e., to select the best students) or an educational function (i.e., to impart knowledge and skills to all students). The results revealed the following pattern: For the higher track, the high-SES pupil was considered the most suitable in the selection condition, followed by the high-SES pupil in the educational condition, next the low-SES pupil in the educational condition, and finally the low-SES pupil in the selection condition. The order was reversed on the lower track. Together the results of the three studies were consistent with the idea that institutional selection tools such as tracking may lead evaluators to artificially create achievement inequalities in pupils of different social class.

These studies show that social class inequalities can be artificially created at school by agents of the system, even when performance is identical. Furthermore, these inequalities do not appear to only be the product of the evaluators' individual biases, but a paradoxical by-product of institutional expectations and practices that rely on a meritocratic distribution of academic rewards that encourages evaluators to differentiate between students.

Educational Systems: Gate-Keeping Institutions?

To sum up, before entering school, children are already exposed to unequal types of resources that will affect their subsequent ability to demonstrate competence (or to have their competence fairly assessed; Bourdieu & Passeron, 1977). These initial

differences are not acknowledged or challenged. Instead, educational systems, in the name of equity, structure the educational context so as to render the comparison between students relevant and assess their comparative merit. Struggling students are encouraged by the meritocratic construal of educational settings to understand that, as they were given the same school resources, their academic difficulties are the product of their lack of ability or effort (Autin & Croizet, 2012). However, as such contexts have a threatening effect (Goudeau & Croizet, 2017; chapter “[Education and Social Class: Highlighting How the Educational System Perpetuates Social Inequality](#)”: Stephens et al., 2012; Browman & Destin, 2016), there are reasons to believe that their performance is not an accurate result of either effort or ability.

Furthermore, the assessment methods used to impartially select students do not appear to lead to altogether fair assessments of students’ merit. Instead, they lead to educational outcomes that are biased along social class lines, as revealed by research showing how focusing evaluators on selecting rather than educating students increased their tendency to distribute academic rewards unequally, even when performance was equal (Autin et al., 2019; Batruch et al., 2019). This research suggests that schools are not operating entirely meritocratically: Students are not placed in a learning environment allowing their achievement to be measured in terms of true potential (and by extension merit) as inequalities are observed at the start of school, in the process of assessing and finally in the decisions about educational trajectories.

In sum, the discourse depicting how educational institutions provide equality of opportunity conceals inequalities by presenting them as an accurate reflection of differences in individual merit. This discourse also contributes to the perpetuation of inequalities by creating differential psychological experiences for low- and high-social class students—thereby affecting their performance—and by leading evaluators to create differences in students’ attainment. In doing so, educational institutions, perhaps unwillingly, become de facto gatekeepers of the social class status quo (see also Batruch, Autin, & Butera, 2017; Easterbrook et al., chapter “[Identities-in-Context: How Social Class Shapes Inequalities in Education](#)”; Rubin et al., chapter “[Social Class Differences in Social Integration at University: Implications for Academic Outcomes and Mental Health](#)”).

Merit, Equality of Opportunity, and Equality of Results

We propose two additional reasons why, consistent with the aforementioned results, the use of a meritocratic discourse in educational contexts cannot fulfill its original purposes of assessing merit to distribute awards fairly.

First, for merit to be accurately detected, everyone has to start with the same opportunities. Even if equality of opportunity is a necessary pre-requisite for a meritocracy to be functional, equality of initial resources is also necessary to fairly identify individual merit. As long as initial differences of resources between social groups remain influential on performance in the school system, schools must acknowledge that they possess limited means to accurately assess inherent merit. This could mean reconsidering educational practices aimed at early detection of

merit and examine the benefits of imparting skills based on students' needs to avoid rewarding students for possessing resources acquired through their family background.

Second, it has been argued that meritocracy could fulfill a societal function of increasing individuals' effort and motivation to succeed and therefore improve their productivity. We would contend that portraying schools as meritocratic can just as easily result in the opposite for some students. If lower social class students perceive their poor performance as deserved rather than partly related to structural disadvantage, they could get discouraged by the perspective that they do not possess the ability to succeed and give up trying, particularly in highly stratified educational systems (i.e., selective educational systems). There is sociological and psychological evidence pertaining to this point (see also Day & Fiske, chapter "[Understanding the Nature and Consequences of Social Mobility Beliefs](#)").

Mijs (2016b) found, using PISA 2012 data, that the pattern of attributions of academic success varies depending on the type of school tracks students are placed in, and the extent to which the educational systems are highly tracked: While students in mixed-ability groups tend to attribute their mathematics performance more to external factors, vocational- and academic-track students are more likely to internalize their failure and success, respectively. This is particularly the case when educational systems are highly stratified: As high-SES students are more likely to be high-performing students in high-ability tracks, they are likely to interpret their success as being due to internal qualities. Conversely, as underprivileged students tend to be disproportionately allocated to vocational tracks, they are likely to attribute their failure to themselves. Previous experiments found that interpreting academic difficulty as a sign of incompetence impedes performance (Autin & Croizet, 2012). As a result, educational stratification in supposedly meritocratic systems could discourage low-performing and lower-SES students from improving their performance. Besides hindering attributions, institutional stratification might reduce students' expectations. Buchmann and Park (2009) compared undifferentiated educational systems to more stratified systems and found a stronger impact of students' socioeconomic background on expectations to complete college in the more stratified systems.

Rather than incentivizing all students to perform better, highly stratified educational systems could increase students' tendency to internalize the outcome of their performance and develop expectations that are more congruent with their family social position. Both of these processes are likely to reduce disadvantaged students' belief that they possess the ability to succeed in the educational system and ultimately lower their effort and performance.

Conclusion

Schools are the primary institutions in society that could favor social mobility. They have been assigned the important responsibility of providing equal opportunities to all students so as to ensure that societies can function meritocratically. However, in practice, educational institutions are unable to compensate for initial disadvantages,

and their structural practices in its current state tend to increase original inequalities. As a result, they fall short of their meritocratic claim of offering equal opportunities and measuring actual merit. The objective of this chapter was to outline how the specific combination of meritocracy beliefs with educational selective structures tends to favor advantaged students and encourages the reproduction of social inequalities. To avoid further legitimizing inequalities partially produced at school, we contend that schools should take into consideration the fact that they possess limited means to identify accurately students' merit and avoid implementing practices that are aimed at detecting it. This could help avoid a catch-22 effect, where to combat social inequalities in society, schools increase their use of merit-based practices, which could inadvertently lead schools to produce more inequalities.

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Education and Social Class: Highlighting How the Educational System Perpetuates Social Inequality



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Any institution then starts to control the memory of its members; it causes them to forget experiences incompatible with its righteous image, and it brings to their minds events which sustain the view of nature that is complementary to itself. It provides the categories of their thought, set the terms for self-knowledge and fixes identity. All this is not enough. It must secure the social edifice by sacralizing the principles of justice. (Douglas, 1986, p. 112)

Institutions, after all, do much of society's dirty work in reproducing privilege and disadvantages. (DiMaggio, 2012, p. 15)

Despite the facts that the slogan “Freedom, Equality and Brotherhood” is displayed on many of its school buildings, and that its educational system can be considered as free all the way to college, France remains the only Organisation for Economic Co-operation and Development (OECD) country where academic achievement is most dependent on students' social class (see the Programme for International Student Assessment¹). For example, children from working-class backgrounds, though they constitute 40.5% of their age group, represent 73.5% of the youngsters in junior high school who are directed toward the tracks designed for students with special needs (SEGPA), and only 12.2% of students enrolled in a PhD program. Their peers from more advantaged backgrounds, though only representing 14% of their age group, constitute only 2% of the lower track students in junior high school but 34.3% of students enrolled in a PhD (MEN-DEPP, 2016, 2018). The reason why children from advantaged backgrounds outperform disadvantaged children has been

¹<https://www.oecd.org/pisa/>

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hotly debated both in and outside academia (Biddle, 2001). Generally, individualist accounts that claim that the poor lack the ability or character necessary for academic success are complemented by external explanations that instead locate the deficit in the environment (e.g., family). In this chapter, our goal is to focus on an often-neglected cause of the achievement gap: the educational system.

The idea that institutions play a role in reproducing social inequality is not new, at least in sociology (Bourdieu & Passeron, 1977). Although it has received far less attention in social psychology, there is a growing interest in developing an understanding of how cultural contexts and social structures beyond the “immediate situation” shape behavioral outcomes in educational settings (see Autin & Butera, 2016; Croizet, Goudeau, Marot, & Millet, 2017; Darnon, Wiederkehr, Dompnier, & Martinot, 2018; Smeding, Darnon, Souchal, Toczek-Capelle, & Butera, 2013; see also Batruch, Autin, & Butera, chapter “[The Paradoxical Role of Meritocratic Selection in the Perpetuation of Social Inequalities at School](#)”; Easterbrook, Hadden & Nieuwenhuis, chapter “[Identities-in-Context: How Social Class Shapes Inequalities in Education](#)”). Here our goal is to analyze some of the processes through which the educational system reproduces social inequality. We will first introduce the idea that institutions play a decisive role in the perpetuation of inequalities. We will then describe how school classrooms create the conditions for the construction, reproduction, and legitimation of the stratification of society.

Institutions and the Reproduction of Social Inequality

Social psychology has studied inequality for decades. But until recently, inequality was mainly investigated through the lens of interpersonal discrimination. Specifically, this lens has shown that certain groups are deprived of access to certain resources (education, housing, work) because they are treated differently by individuals who act on their negative stereotypes. These discriminating perpetrators can be conscious racists, sexists, and classists, or nonprejudiced individuals, who are unintentionally acting on racist, sexist, or classist beliefs. According to this “standard perspective” (Adams, Edkins, Lacka, Pickett, & Cheryan, 2008), inequality can be conceptualized as the outcome of (un)intentional actions of biased individuals. Within this framework, fighting prejudiced attitudes and providing individuals with tools to control the expression of their racist tendencies have been put forward as the solution to reduce social inequalities.

However, albeit detrimental, interpersonal discrimination and outgroup hostility cannot account for the persistence of inequality (Adams, Biernat, Branscombe, Crandall, & Wrightsman, 2008; Jackman, 1994). This is because long-standing patterns of domination that define class, race, and gender relations are less characterized by discrimination and conflict than by acceptance of the domination (Jackman, 1994). According to this “systemic perspective” (Adams, Biernat, et al., 2008; Adams, Edkins, et al., 2008), ideologies and institutions play a decisive role

in the acceptance and regulation of group domination (Bourdieu & Passeron, 1977; Jackman, 1994, 2001).

Indeed, throughout history, high-status groups have consistently relied on ideological narratives to provide a justification for their position in the social order (Weber, 1914/1978; Zelditch Jr., 2001). While the details of the narratives have changed with time and as a function of the nature of the hierarchy, they have all affirmed the superiority of those in power over those at the bottom of the hierarchy (Bisseret, 1974). This superiority is attributed to the possession of superior attributes, be they divine (e.g., see the monarchies before the eighteenth century), natural, or acquired (see French Republics after the eighteenth century; Bisseret, 1974). In contemporary societies that embrace democratic ideals, it is individual *merit* that explains social stratification (see also Augoustinos & Callaghan, chapter “[The Language of Inequality](#)”; Fiske & Durante, chapter “[Mutual Status Stereotypes Maintain Inequality](#)”). According to this meritocratic narrative, one’s social position is mostly a reflection of one’s talent and effort (Young 1958), thus legitimizing social positions (Jost & Kay, 2010). The entrenched relationship between perceptions of an individual’s success and their personal values was recently illustrated by Emmanuel Macron, the French president. During his inauguration of a private start-up campus on July 2, 2017, he claimed that “a train station is the location where those who have succeeded pass those who are nothing.” Placing the origin of the social hierarchy in individual merit offers a justification that can lead dominant and dominated groups to accept their social position as legitimate (e.g., Kuppens, Spears, Manstead, Spruyt, & Easterbrook, 2018; Wiederkehr, Bonnot, Krauth-Gruber, & Darnon, 2015).

If these ideological narratives make sense of the social order and supply the tools for its acceptance, it is institutions that regulate the domination by easing the flow of exploitation from the dominated groups to the dominant groups (Jackman, 1994). Institutions are enduring social arrangements embedded with pattern of ideologies, norms, and roles that regulate relations among individuals (Dornbusch, Glasgow, & Lin, 1996). They authorize certain relations and guide actors’ perceptions and actions into forms that are compatible with these relations (Douglas, 1986). These arrangements are not neutral; they embed the domination and exploitation of certain groups by others. Indeed, institutions are biased “to carry out the ongoing task of expropriating resources from the subordinates” (Jackman, 1994, p. 65). There are many examples of this institutionalization of domination in history (Noiriel, 2018; Zinn, 1980). One is the institution of marriage (Jackman, 1994)—in France, for example, until 1965, married women were not allowed to have a job without the consent of their husband. Another example is labor legislation that defines the rights of workers in their relation with their employers (Noiriel, 2018).

More generally, the very definition of what is legal in a given society reveals how institutions are impregnated with the reality of domination and exploitive relations that structure society, from the definition of constitutional rights (who is a citizen, who is allowed to vote, who is allowed to protest) to criminal law (Alexander, 2010; Reiman & Leighton, 2012) or the way taxes are set and enforced (Piketty, 2014;

Spire, 2012). Institutions therefore play a central role in the long-lasting relation of domination because they “stabilize and routinize the supply of benefits from one group to another” (Jackman, 1994). The design of institutions means that domination and exploitation require neither intentional actions from dominants nor consent from subordinates; they just happen.

Institutions produce inequality by imposing systems of classification that not only channel how individuals think, act, and define themselves, but also determine their fate (Bourdieu & Passeron, 1977; Bowles & Gintis, 1976; Jackman, 1994; Tilly, 1999). *Categorical inequality* (Tilly, 1999) is one of the theories that describe this process. According to Tilly (1999), institutions manufacture institutional categories (“welfare recipient,” “inmate,” “gifted,” “entrepreneur”) that are used to funnel individuals into institutional tracks that profoundly shape their access to positions in a stratified society (e.g., in France being oriented towards a vocational school rather than a general high school). Thus, institutions act as “sorting machines” (Domina, Penner, & Penner, 2017). Importantly, this sorting process is not blind; it produces disparate outcomes as a function of class, gender, and race. As we will discuss next, the effectiveness of these categorization and sorting processes in the reproduction of inequality is particularly well illustrated in educational systems (Domina et al., 2017).

Education: An Egalitarian Institution or a Hierarchies Manufacturer?

Due to its unavoidability and prevalence, education holds a particularly potent position in society. Up until the age of adulthood, individuals will have spent most of their life in schools. According to functionalists (Davis & Moore, 1945), education fulfills two distinct goals: education and selection (see Autin & Butera, 2016; Batruch et al. chapter “[The Paradoxical Role of Meritocratic Selection in the Perpetuation of Social Inequalities at School](#)”; Darnon et al., 2018; Jury, Smeding, & Darnon, 2015). Schools are charged with developing a “properly trained and socialized citizenry” (Dornbusch et al., 1996, p. 403) with a focus on teaching the cognitive and technical skills to perform societal occupations. Aside from this “educational” function, the stratification of society means that educational institutions are also granted a “selection” function, whereby they are responsible for ensuring that the most meritorious people access the highest status positions (Carson, 2007; Davis & Moore, 1945).

Selection is achieved by implementing a process of “equal opportunities.” Specifically, students are grouped by age, face the same teacher, receive the same educational material, take the same examinations, and, in the best schools, are even treated the same. These settings aim at ensuring “fair competition” and guaranteeing that differences in achievement can only reveal individual merit. As such, they constitute the optimal institutional arrangement for dispositional attribution (Kelley, 1967). Education is thus not only a sorting machine but also the official merit revealer.

Merit is gauged through a system of internal categories and practices (e.g., “grades,” “awards,” “high achievers,” “low achievers,” “advanced placement”) that are saturated with psychological essentialism, the belief that the nature or essence of the individuals is the cause of their behavior (Medin & Ortony, 1989; Rothbart & Taylor, 1992). Regardless of whether this essence is biological (genes or natural ability; Keller, 2005) or social (an unstimulating family environment; Rangel & Keller, 2011), essentialism impregnates institutional categories and tracks (e.g., “gifted,” “advanced,” “straight-A’s,” “learning disability,” “dropout,” “vocational”). The use of such labels conveys the idea that the categories rely on inherent, deep, and stable qualities (e.g., Cimpian & Erickson, 2012; Heyman, 2008). These essentialist categories are further institutionally reinforced by its reward systems: gold stars, report cards, percentile rankings, and award ceremonies. Because of the pervasiveness of this institutional category assignment, it is not surprising that even when very young (e.g., when starting preschool), children become particularly concerned about whether they *are* smart, slow, or motivated; in other words, whether they are *meritorious* (Millet & Croizet, 2016).

Education: The Egalitarian Institution That Stages an Unfair Competition

Though educational institutions rely on a system of internal categories that is supposedly unrelated to external categories, like class, gender, race, and educational outcomes are strongly related to one’s social background (see the Programme for International Student Assessment²). As a result, far from being a level playing field, education promotes and values certain norms that are closer to the regular cultural practices of dominant groups, which ultimately give them an advantage in the “meritocratic contest.” These norms value certain forms of language (Carter, 2003; Labov, 1970, Lahire, 2000), interest in certain forms of arts and literature, particular knowledge and skills (Lareau & Weininger, 2003), attendance of the “right” museums (Bourdieu, 1979), specific academic attitudes (Blackledge, 2001), or bodily posture (Bourdieu, 1979; Millet & Thin, 2003), and the expression of independence agency (Stephens, Markus, & Phillips, 2014).

These implicit norms are already noticeable in the preschool years. In French preschools, children are not graded but they participate in multiple daily activities aimed at group socialization and at developing reading and writing skills. One routinized activity is the “what’s up?” exercise (*quoi de neuf?*). Children sit in a circle in front of the teacher and share with the group something they experienced during the weekend. Two findings stood out from a series of observations conducted in 10 school classrooms (Millet & Croizet, 2016). Almost every child quickly understood that the “what’s up” exercise was a competition for gratification and was eager to

²<https://www.oecd.org/pisa/>

participate. Children also rapidly figured out that not all of the experiences shared with the group had the same value. In other words, students experienced firsthand being sorted into new categories distinguishing between those who had something “interesting” to share and the others.

Teacher: --« You're talking about the TGV* (Train Grande Vitesse, High Speed Train) [...]? Who has been on the TGV? »

Several students raise their hand and explain that they have traveled with the TGV. The teacher asks where they went on the TGV. It is noteworthy that having been on the TGV is clearly valued and what the TGV is, is never explained.

Abdoullah—who is sitting separately from the others and is wiggling on his chair—turns around and says “what about me?”

Teacher: “Yes, you, I can't let you speak because you are not in the circle with us.

Abdoullah enters the circle and stays in the middle.

Teacher: “Sit down Abdoullah if you want to share something. You know what you have to do if you want to tell us something” [to raise his hand].

When Alexia is talking, the teacher says, “Alexia, a little while ago, when you were talking, everyone was listening to you, now it would be good if you would do the same.” Then turning toward Abdoullah, the teacher tells him: “Yes Abdoullah, what do you want to share?”

Abdoullah explains in a way that is hard to understand that his mother bought him some toothpaste.

Teacher. — « Your mom bought you pasta, is that it? (in a mocking tone) Oh?! »

The exchange that follows helps to clarify that Abdoullah means “toothpaste.” The teacher makes him repeat that it is toothpaste while winking to the interviewer.

A little later [...] the teacher explains to the interviewer that she often invites students to talk about their weekend, because there is always something happening and things to share and adds, while laughing ironically: “if only for: “Mom bought some toothpaste.” »

(Observation of a preschool classroom, 3-year-old children and interview with the teacher, Millet & Croizet, 2016, pp. 169–170, translated from French.)

Because implicit academic norms more closely resemble the cultural practices adopted by more advantaged families (Kusserow, 2004; Lareau, 2003), the educational system is inherently biased in favor of students from privileged backgrounds. The match versus mismatch of academic implicit norms and family cultural practices (Stephens, Fryberg, Markus, Johnson, & Covarrubias, 2012) has therefore two important consequences. First, middle-class students, who are familiar with these norms, are more at ease in academic settings. Indeed, they enter school possessing *cultural capital* that confers a head start in the classroom such as the use of particular linguistic posture, the way to express personal opinions, the display of constrained bodily posture, and being knowledgeable of the right museums (modern art vs. sports hall of fames; Bourdieu & Passeron, 1977; Lamont & Lareau, 1988).

Second, because education is both conceived to be a level playing field and impregnated with psychological essentialism, higher cultural capital does more than just boost performance. Indeed, it also provides important avenues for symbolic gratification: Being categorized as “smart,” “intelligent,” and “interesting.” In contrast, for working-class students—who are less familiar with these cultural practices—these structures pose a barrier to academic performance. And when they struggle to meet expectations, as the following excerpt suggests, their failure to fit in is quickly interpreted as a sign they are not that smart nor motivated.

Teacher: “This year, actually, we had many good experiences...what I call good experiences, are ... kids euh (...) that are really invested in learning, that are curious, actually, that want to learn by themselves, they are autonomous in their work (...) they understand why they are in school, who have the desire..., really, they have a real motivation, they have a real work dynamic and who in addition, often..., are easier to deal with, well, so to speak, ... remarkable students, more attentive to the others. Actually, I’m thinking about a kid, Maxence [father engineer, mother receptionist], who had a very high language proficiency and understanding, and good graphic skills, a good understanding of numbers and was very ready for kindergarten. And well... he was a kid that got a lot of help at home anyway, with a supporting family. [His parents] are from a rather high social background with visits to museums, visits to the library... He was always reading books. He asked many questions... had a good relation with the others. So, yes, he somehow had everything. [...] Those are kids that are very active in the classroom and who orally interact with the adult and the other children. [...] And there are children for whom it works and for the others, it’s more difficult. But those whom I call “bright,” it’s them who get it quickly, who work autonomously, who see what is expected (silence)... who put into use...what they have learned, who establish links between things. Well, there are...it’s rather... interesting to see that they re-use the things that they have experienced.”

Interviewer: “Can you give me a concrete example?”

Teacher: “For example, with the comprehension of books it is striking... you have those who can tell, by themselves, without...without being asked: “This story is funny, it makes me think about that story” (silence), because of the same character, same narrative structure, because of the same backgrounds, well [...]. So those are the children, who..., yes, who are quick, who are, who are... intelligent [...]”

(Interview with a preschool teacher, Millet & Croizet, 2016, pp. 93–94, translated from French.)

Importantly this excerpt shows that the educational system produces a meritocratic understanding of the classroom reality that imposes itself onto the individual actors. As pointed out by Douglas, “institutions systematically (...) channel our perceptions into forms compatible with the relations they authorize” (1986, p. 92). In other words, the way actors (here: teachers) think, perceive, or judge is afforded by the institutional settings, which, prior to their own thinking, defines the range of what is possible and what is not. In the above example, the teacher thinks, perceives, and judges students’ behavior through the lens of meritocratic essentialism. Therefore, appropriate behaviors with regard to the academic norms can only reflect intrinsic qualities or limitation of the students.

Education: Staging the Conditions for Symbolic Violence

As illustrated by the following observation, the imposition of this meritocratic essentialism in the classroom also affects students:

Barak [5-year-old, single mother, unemployed]: “Simpleton, is that a bad word?”

Interviewer: “A little bit...but why do you say that? Did you call someone that? Did someone call you that?”

Barak: “Yes, myself, I say it to myself when I fail at something.”

(Interview in preschool classroom, Millet & Croizet, 2016, p. 184, translated from French.)

This example shows that students learn to “see” the institutional reality through the mental categories that it affords and that this imposition is powerful enough to shape their own self-views. By presenting itself as a meritocratic contest, the educational system therefore conceals a powerful form of symbolic domination. This symbolic domination transforms (dis)advantages related to social class into individual merit differences. It constitutes an example of *symbolic violence* (Bourdieu & Passeron, 1977), that is, an invisible coercive force that operates through the categorizations manufactured and imposed by institutions. This process leads dominated group members to accept the legitimacy of the principles of those that dominate them. As illustrated in the example of Barak, this process is violent because in the end it manufactures the consent of the dominated group to its domination (Bourdieu, 1979; Weber, 1914/1978). But, importantly, these submissions are not perceived as such because they rely on the ingrained beliefs produced and imposed by the institution.

Even though the concept of symbolic violence has predominantly been used in sociology, there is recent evidence from social psychological research that provides evidence documenting how it operates in the classroom (see Croizet et al., 2017). The fact that education institutionalizes an essentialist classification of individuals and organizes a merit contest produces at least four psychological outcomes: (a) children will be concerned about their intellectual merit and spontaneously engage in social comparisons; (b) any variation in achievement will be categorized as revealing differences in individual merit (Kelley, 1967); (c) due to their lower familiarity with academic norms (lower cultural capital; see Bourdieu, 1979), students from working-class backgrounds will experience upward social comparison as indicative of their intellectual inadequacy (i.e., symbolic violence); and, finally, (d) this experience will disrupt their performance and therefore contribute to the social class achievement gap (Croizet & Millet, 2012; Rogers & Feller, 2016).

A series of experimental studies provides initial evidence for this analysis (Goudeau & Croizet, 2017). Eleven-year-old students, in their school classroom, took a difficult reading test involving a series of questions. Two experimental conditions were created. In the visibility condition, the differences in performance were suggested by instructing students to raise their hand if they believed they knew the answer before the allotted time. In the no-visibility condition, students were not asked to raise their hands and were thus not provided with a clue to sort themselves into meritocratic categories. Not surprisingly, because of their higher familiarity with the linguistics norms (i.e., written language) that prevail in school (Lahire, 2000), upper-middle-class students outperformed those from working-class backgrounds. As predicted, however, when the superior performance of their peers was suggested through hand raising, students from working-class backgrounds performed even more poorly (see Fig. 1a).

Following this finding, we set out to test the hypothesis that working-class students failed because their lower familiarity with academic standards leads them to believe that if they lag behind, it is a sign of lower ability. In another experiment, we manipulated the level of familiarity with academic standards as a proxy for social class. We designed a task that involved learning a new writing code (e.g., “+” = “M”; “)” = “D”).

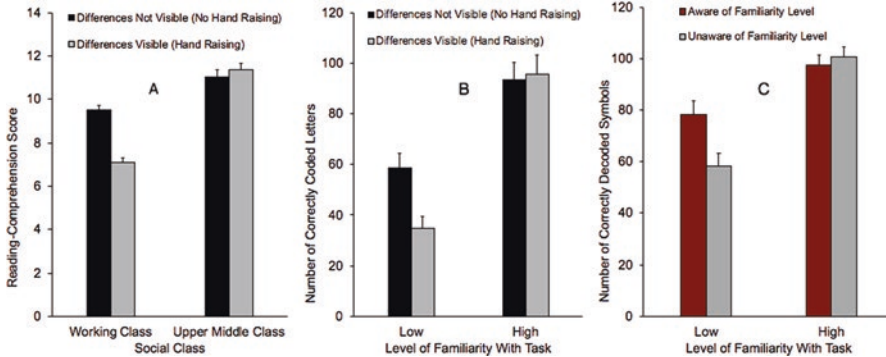


Fig. 1 (a) Reading-comprehension score (number of correct answers) as a function of social class (working class vs. upper-middle class), presented separately for classrooms in which differences in performance were visible and were not visible during the test (not visible: hand down vs. visible: hand raising). Scores ranged from 0 to 20. (b) Number of correctly coded letters as a function of familiarity with the task (low vs. high), separately by visibility of differences in achievement (not visible: hand down vs. visible: hand raising). Scores ranged from 0 to 150. (c) Number of correctly decoded symbols as a function of level of familiarity with the task, separately for students who were aware of the disadvantage in levels of familiarity with the task and those who were not. Differences in performance were visible in all conditions (i.e., hands were raised). Scores ranged from 0 to 120. Error bars represent +1 SEM. Adapted from Goudeau and Croizet (2017)

Two levels of familiarity with this new language were induced by allowing 10-year-old children to either practice the coding a lot or only a little. Students then took a coding test. Again, half of participants were instructed to raise their hands if they believed they had found the right answer while the other half did not receive this instruction. Results showed that the experimentally disadvantaged students (i.e., those who only had limited opportunity to practice the coding scheme) performed worse when the higher performance of the experimentally advantaged students (i.e., those who were well trained) was suggested through hand raising (see Fig. 1b). This finding showed that an arbitrary and hidden advantage, here a higher familiarity with a performance task, was enough to fuel the achievement gap in an educational context. Interestingly, this pattern was not moderated by students’ gender, academic level, or even social background, suggesting that being a regular high achiever or from the upper-middle class offered no protection to the symbolic violence generated by the situation.

Next, we wanted to further substantiate the claim that it was the essentialist interpretation of the differences in performance (i.e., the institutional categorization afforded in the institutional context) that caused symbolic violence. Because educational settings conceal the privileges and disadvantages that family backgrounds bring, we predicted that students who are less familiar with the academic standards are likely to attribute their struggle to achieve relative to others as a sign of intellectual inferiority. A last study showed that simply making students aware of this disadvantage, by revealing before taking the test that some of them received more and better preparation for the test, was enough to protect students from seeing in the better achievement of their peers a threatening social comparison (Fig. 1c).

In sum, by focusing on the differences in familiarity with academic norms, three studies showed how this form of (dis)advantage affected performance in academic settings. Other research has shown that familiarity with academic standards more generally can confer an invisible advantage for upper-middle-class students. For example, universities are organized around independence norms that define the “right” way to behave as a student in college: Students are expected to make choices, to possess and express personal opinions, to be autonomous, to develop their own projects, and to follow their own path (Lahire, Millet, & Pardell, 1996; Stephens et al., 2012). These standards fit to a large extent with the cultural practices of upper-middle-class families that nurture expressing one’s personal choice, taste, and self-expression and individualism (Kusserow, 2004; Lareau, 2003). At the same time, these standards do not match the more interdependent models of self that are fostered in working-class contexts. For example, working-class students may be reluctant to participate in class just because it portrays them as attempting to show off in front of the others. By showcasing differences in students’ performance as purely reflecting academic attitudes or ability, the educational system hides the advantages and disadvantages that are at play and sets symbolic violence into motion.

The power of this essentialist framing of reality is such that students do not even need to be exposed to peers from privileged backgrounds to experience symbolic violence. As stated by Douglas in the epigraph of this chapter, institutional categories become students’ own categories of thoughts. Autin and Croizet (2012) found that merely experiencing difficulty in school, which by definition is inherent to any act of learning, is enough to trigger self-doubts, perceptions of incompetence, and disruption of cognitive performance. They showed that substituting the essentialist categories with an alternative that portrays experiencing their struggle to learn as a necessary step in learning was sufficient to free children from symbolic violence and resulted in a boost in performance on very difficult cognitive tests (i.e., improved verbal and spatial working memory spans and fluid intelligence; Autin & Croizet, 2019). Ultimately, however, the persuasion carried out by the institution through its meaning-making process becomes so pervasive that, as coined by Douglas (1986), it fixes “self-knowledge” and “identities.”. Through the recurring experience of symbolic violence and the personal disqualification that accompanies it, students from working-class backgrounds are led to internalize a sense of inferiority while those from more privileged backgrounds experience enhanced self-efficacy (Wiederkehr, Darnon, Chazal, Guimond, & Martinot, 2015). In other words, upper-middle class and working-class students develop a stable sense of their own efficacy that is congruent with the position that is ascribed to them in the hierarchy.

The educational system thus regulates the relations between actors (teachers and students) and provides the cognitive categories to make sense of the reality it stages. Through this construal process, students are assigned to an academic hierarchy that defines who they *are* and what they are entitled to. Throughout this institutional process, social inequality is silently reproduced without intention and in the absence of conflict between dominant and dominated groups.

Conclusion

Social inequalities have reached in democratic societies a level rarely observed in the past. In this chapter, our goal was to highlight how the educational system, which significantly contributes to the reduction of social inequality by promoting some social mobility along the social ladder, nevertheless simultaneously plays a decisive role in the perpetuation of these inequalities. Indeed, education accomplishes the important task of selecting and preparing individuals for the future positions they will hold in the social structure. As an institution, it elaborates internal categories that are used to sort students and funnel them in academic tracks. In societies that embrace democratic and equalitarian ideals, these internal categories are explicitly defined as unrelated to external categories such as class, race, or gender. But it is also clear that the outcome of the educational sorting process is not blind, and education plays a role in the reproduction and legitimation of the social structure. As discussed in this chapter, the educational system fulfills this role through an institutionalized process of soft coercion that involves the imposition of a system of essentialist categories combined with sorting procedures. This institutional configuration not only sustains relations of domination but also shields institutions from criticisms of injustice. Without culprits or a proven intent to harm, contestants carry the burden of demonstrating that these internal categories and institutional rules are biased with regard to social class, race, and gender. This issue has been at the core of most legal battles for social justice throughout history (Noiriel, 2018; Zinn, 1980). If sociology has long argued that institutions do play a role in the perpetuation of social inequalities, we believe that social psychology is nevertheless uniquely equipped to document the very process through which it operates, as we hope this chapter illustrates.

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Part III
Consequences of Inequality on Preferences
and Behaviours

Psychological Consequences of Inequality for Food Intake



Maria Almudena Claassen, Olivier Corneille, and Olivier Klein

We know that more unequal societies have worse health outcomes, such as higher obesity prevalence. In recent years, researchers have explored how and for whom inequality affects food intake and ultimately leads to weight gain. Possibly stemming from the large diversity of measures and research methods used across disciplines, the findings are somewhat contradictory.

In an attempt to organize the literature, in this chapter, we provide an overview of (social) psychological theories and studies that attempt to explain psychological mechanisms through which conditions of inequality may impact eating behaviors. To complement the findings from psychological research, we borrow from related domains such as sociological, consumer, and public health research. We first discuss how inequality triggers perceptions of environmental harshness and resource competition that can increase desire for caloric food. We then consider how inequality increases the salience of status differences and review studies on the influence of social comparisons on eating behavior. Lastly, we discuss how inequality enhances social-class distinctions that encourage food consumption based on class norms. Where possible, we explore psychological processes that can explain how and why these perceptions and experiences impact eating behavior.

Based on this review, we present a model that encompasses the diversity of psychological mechanisms that are thought to underlie the effect of experienced inequality on eating behaviors. Understanding how inequality and obesity are associated is critical, considering (a) the expected growing rates of both inequality and obesity (Breda, Webber, & Kirby, 2015; Alvaredo, Atkinson, Pikkety, Saez, & Zucman, 2018), and (b) the observation that existing approaches for reducing social gradients in health have proven relatively unsuccessful or, worse, have

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exacerbated health inequalities (Darmon, Lacroix, Muller, & Ruffieux, 2014; Frohlich & Potvin, 2008).

Challenges in Research on Inequality and Obesity

Rising levels of inequality and obesity within developed countries have attracted interest among both public and academic communities. Research findings point to a positive association between country-level inequality and the prevalence of physical and mental conditions in those countries (Subramanian & Kawachi, 2004; Wilkinson & Pickett, 2009), including obesity (Pickett, Kelly, Brunner, Lobstein, & Wilkinson, 2005). Being overweight or obese involves an abnormal or excessive accumulation of fat that increases a person's risk of developing other non-communicable diseases, such as diabetes, cancer, and heart disease (WHO, 2017a). In 2016, the overweight and obesity prevalence worldwide was 13% and 39%, respectively (WHO, 2017b), and tended to be higher in countries with higher income inequality (Pickett et al., 2005).

Most reports on the association between inequality and obesity rely on country-level, cross-sectional data, comparing countries varying along inequality and examining the correlation with the obesity prevalence in these countries. The findings resulting from such analyses vary as a function of what is measured and which countries are examined. For instance, the positive association between income inequality and obesity in Organisation for Economic Co-operation and Development (OECD) countries almost disappeared when the US and Mexico are excluded from analyses (Su, Esqueda, Li, & Pagán, 2012). Furthermore, the association between obesity and inequality was weak compared to the association of obesity with indicators of economic insecurity (i.e., security from unemployment, illness, single-parent poverty, and poverty in old age; Offer, Pechey, & Ulijaszek, 2010). Comparisons between country-level and individual-level measures are difficult given that inequality pertains to social systems whereas socioeconomic status (SES) characterizes individuals or groups within those systems (Ellison, 2002).

Although many of these cross-sectional studies rely on large data sets and sophisticated analyses, their correlational nature makes it daring to draw causal conclusions, even more so when it comes to identifying the relevant psychological mechanisms involved. Only recently have researchers started employing experimental methods allowing for firmer causal interpretation and assessment of underlying processes (Goudeau, Autin, & Croizet, 2017).

In these experiments, inferences about inequality are usually made by making comparisons between individuals varying in status and by measuring snapshot moments of food consumption rather than weight and/or obesity status. Participants are typically randomly allocated to experimental conditions in which the experience of relative scarcity or deprivation, or relative wealth is or is not induced. Although this approach is lower in ecological validity than the epidemiological approach, it allows for causal examination and more precise examination of relationships between variables.

Gaining insights into the processes underlying the association between inequality and obesity could stimulate the development of successful interventions, which tend to involve reductions in financial cost, or nutrition education, and have unsubstantial effects (Capacci et al., 2012; Powell & Chaloupka, 2009). The following sections discuss research findings that may provide some answers to improve such approaches.

Harsh Environments Increase Desire for Calories: An Evolutionary Perspective

In environments with high inequality, richer people own a relatively larger amount of the available resources. For instance, in the US, recent estimates suggest that the share of income of the bottom half of the population is 12%, whereas the share of the 1% at the top is 20% (Piketty, Saez, & Zucman, 2018). If resources are unequally distributed among individuals in society, perceptions of resource scarcity and competition can ensue (Roux, Goldsmith, & Bonezzi, 2015). According to an evolutionary psychological theory, *life-history theory*, perceptions of environmental harshness and instability attune organisms to collect as many resources as possible in order to secure survival and reproduction (Del Giudice, Gangestad, & Kaplan, 2015; Ellis, Figueredo, Brumbach, & Schlomer, 2009).

It has been suggested that resources such as status, money, and food share a common valuation system in terms of their allocation for growth, reproduction, and energy (Brinberg & Wood, 1983; Foa & Foa, 1974). In line with this proposition, there is evidence that a lack of money induces desire for food (Laran & Salerno, 2013; Levy & Glimcher, 2012).

Indeed, findings from experimental studies indicate that perceptions of environmental harshness increase desire for food, specifically for food that is high in calories (Bratanova, Loughnan, Klein, Claassen, & Wood, 2016; Briers & Laporte, 2013; Laran & Salerno, 2013; Swaffield & Roberts, 2015). High-calorie foods are more beneficial to survival and are perceived as more valuable in terms of energy provision and as substitutes for monetary resources (Briers, Pandelaere, Dewitte, & Warlop, 2006; Tang, Fellows, & Dagher, 2014). To illustrate, using a within-subjects design, Swaffield and Roberts (2015) examined how reading a scenario about a harsh or safe environment altered the desirability of 30 food items across different categories: grains, dairy, fruits, vegetables, meat, poultry, and sweets. Participants reported their desire for the foods before and after reading the scenarios. The results showed that high-calorie foods became more desirable under conditions of environmental harshness but not when the environment was perceived as relatively safe.

Other studies suggest that the negative consequences of inequality are particularly high for individuals who have grown up with limited resources or in poorer environments. Experiences of harshness in developmental periods condition behavioral patterns that are adaptive in those contexts. For instance, individuals who have grown up in more deprived neighborhoods show greater behavioral

disinhibition (Paál, Carpenter, & Nettle, 2015). Exposure to harsh conditions in early-life results in increased sensitivity and responsiveness to cues signaling harshness (Griskevicius et al., 2013). This is because in stressful conditions, responses are driven by formed habits rather than reflective processes (Dallman, 2009; Schwabe & Wolf, 2009).

Research on environmental scarcity and eating behaviors has mostly focused on food insecurity: not having adequate physical, social, or economic access to sufficient, safe, and nutritious food for an active and healthy life (Dinour, Bergen, & Yeh, 2007). Findings indicate that experiencing food insecurity early in life is associated with dysregulated food intake later in life; for instance, eating regardless of one's energy need as a result of fear that food will be scarce in the future (Dhurandhar, 2016; Hill, Prokosch, DelPriore, Griskevicius, & Kramer, 2016; Nettle, Andrews, & Bateson, 2017).

Likewise, Hill, Rodeheffer, DelPriore, and Butterfield (2013) propose that individuals who have grown up with limited financial resources or in disadvantaged neighborhoods do not necessarily eat more or more unhealthily in general, but only when presented with cues in the environment that signal harsh conditions. These researchers randomly assigned female participants to a condition in which they experienced environmental harshness or to a control condition. For instance, in one of the environmental harshness conditions, participants had to read a newspaper article describing an increase in the homicide rate. The findings showed that for participants who experienced more stressful childhood environments, harshness cues increased desire for food and diminished desire to restrict calories and prevent weight gain. In contrast, for participants who experienced less stressful childhood environments, harshness cues diminished desire for food and increased desire to restrict calories and prevent weight gain. Desire for food, for restricting calories, or preventing weight gain did not differ between participants who had experienced less or more stressful childhood environments in the control condition.

The implication of the above findings is that perceptions of environmental harshness triggered by rising inequality may increase desire for calories, but more likely so for individuals who have grown up in disadvantaged environments (and who are also more likely to occupy disadvantaged positions in society later in life).

Relative Status Comparisons Trigger Negative Emotions That Stimulate Food Intake

Inequality does not only increase the distance between income or wealth levels among individuals in a society, but also affects individual perceptions of position vis-à-vis other individuals or groups (Kraus, Tan, & Tannenbaum, 2013). The higher the inequality, the higher the salience of status and class differences between individuals and groups in a society (Cheung & Lucas, 2016; Kraus, Park, & Tan, 2017).

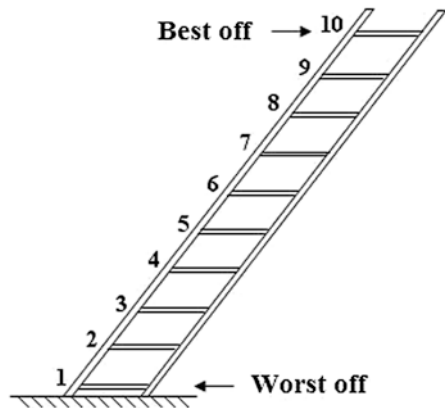
Comparisons with higher-status individuals or groups lead to a sense of relative deprivation regarding economic, political, or social resources (Festinger, 1954; Flynn, 2011). And feeling less well-off compared to others can elicit negative feelings such as resentment or shame (Bernstein & Crosby, 1980; Kim, Callan, Gheorghiu, & Matthews, 2016; Kraus & Park, 2014). Finally, negative affect can produce a desire for comfort foods: tasty foods that are high in calories, and that trigger positive affect and lower the physiological stress response (Adam & Epel, 2007; Dallman, 2009; Tomiyama, Dallman, & Epel, 2011).

Experimental studies examining experiences of lower or higher relative status, expose participants to such experiences by showing them a ladder representing relative ranks of individuals in their society (see Fig. 1). To make participants experience relative deprivation they are asked to contrast themselves to people at the top of the ladder who are the “best off” in society. On the contrary, in order to make them feel relatively wealthy, they are asked to contrast themselves to people who are “the worst off” in society, positioned at the bottom of the ladder.

Findings from studies in which this (or a comparable) manipulation was used, all showed that relative deprivation was associated with higher caloric intake (e.g., Bratanova et al., 2016; Cheon & Hong, 2017), suggesting that experiencing a relatively lower status position leads individuals to consume more calories. These results imply that inequality makes individuals with lower status consume more calories, possibly leading to weight gain, and subsequent social gradients in overweight/obesity.

Of equal interest involves the question of *why* relative deprivation leads to increased caloric intake. Many of the studies examined possible explanations for this association and found that relative deprivation negatively affects mood (Cheon & Hong, 2017), decreases feelings of power and pride (Cardel et al., 2016), and increases social anxiety (Bratanova et al., 2016), perceptions of unfairness (Sim, Lim, Forde, & Cheon, 2018), feelings of inferiority, and unpleasant affect (Sharma & Alter, 2012). However, only one study among them formally assessed mediation by a psychological measure. In this experiment by Bratanova et al. (2016),

Fig. 1 MacArthur scale of subjective social status used to manipulate perceptions of relative lower versus higher status. Participants are asked to compare themselves to others in society who are the best off or the worst off (Chatelard et al., 2014)



participants were told they would have to interact with students coming from a more deprived (relative deprivation condition), more affluent (relative wealth condition), or equal background (control condition). They were then asked to participate in a seemingly unrelated experiment in which they were provided with snacks. The findings showed that both participants who felt relatively deprived or wealthy reported anxiety due to being looked down on (e.g., “I worry that others will look down on my possessions”) or being envied (e.g., “I worry that that other people will envy my privileged background”), respectively. These feelings of anxiety mediated the influence of discrepant relative status (versus equal status) on higher caloric intake. And this relationship, in turn, was moderated by participants’ score on a Need to Belong measure: Higher desire to fit in and be accepted by peers made participants more susceptible to caloric intake as a result of inequality-induced anxiety.

The idea that lower-status positions are associated with food intake due to anxiety or stress is not recent (for a review, see Moore & Cunningham, 2012). Less research, however, has focused on how inequality triggers social anxiety in higher-status individuals (Layte & Whelan, 2014). A possible explanation is that they experience social exclusion because they are resented (Kim, Callan, Gheorghiu, & Skylark, 2018) or envied for their position (Fiske, Cuddy, Glick, & Xu, 2002; see also Fiske & Durante, chapter “[Mutual Status Stereotypes Maintain Inequality](#)”).

Caloric intake due to status-related stress can result in weight gain, but stress also modulates metabolic pathways that make humans more likely to gain weight (Dallman, 2009; Rosmond, Dallman, & Bjorntorp, 1998). This is corroborated by findings from animal studies on social hierarchies that indicate that, besides an increased preference for higher-calorie foods, some species store more body fat when they experience bouts of lower status (Arce, Michopoulos, Shepard, Ha, & Wilson, 2010; Foster, Solomon, Huhman, & Bartness, 2006).

In particular, results from two recent studies using the ladder manipulation indicate that relative status may be associated with changes in sensory perception as well as appetite-regulating blood hormones. In one study, researchers found that participants allocated to a lower-status condition and to a control condition were able to distinguish between versions of a soy milk drink that differed in energy density, but that participants in a higher-status condition did not (Cheon, Lim, McCrickerd, Zaihan, & Forde, 2018). This suggests that at the top of the social ladder, energy may not be a priority in food selection. Findings from the other study, which consisted of a within-subjects design with experimental sessions scheduled at least one week apart, indicated that blood levels of participants who had been induced to feel relatively lower in status contained increased levels of active ghrelin (a hormone signaling hunger), as compared to a baseline measure of each participant’s level (Sim, Lim, Leow, & Cheon, 2018). No change was observed for hormones indicating satiety (i.e., polypeptide and insulin). And in the control condition, blood levels did not differ between the baseline measurement and the measurement after the manipulation.

These two studies suggest that both lower and higher status may influence sensory and bodily processes. The diverging results indicate that sensory discrimination and appetite-regulating hormones work independently from each other and are possibly influenced by different characteristics of relative status.

Socially Stratified Symbolic Values of Food Produce Inequalities in Food Consumption

An additional consequence of the increased salience of status differences under conditions of inequality is the emergence and maintenance of social classes (Kraus et al., 2013). Social classes are defined by the structural, economic, or cultural components that lead to the unequal divisions and dispositions that exist within society (Crompton, 2006). In turn, social classes provide unique models for normative behavior and self-expression that are used to construct a social identity (Stephen & Townsend, 2013). The French sociologist Pierre Bourdieu (1979) was one of the first to describe how preferences for food products are shaped by differences in economic, social, and cultural capital across social classes. Since then, the social context of food intake has attracted interest among social psychological researchers, whose results show that our social environment exerts a great influence on what we eat: We model the eating behavior of people around us (Vartanian, Spanos, Herman, & Polivy, 2015), especially those who belong to our social group (Cruwys, Bevelander, & Hermans, 2015).

Psychological research on social identities and food intake mainly focuses on disadvantaged positions related to race/ethnicity or gender (e.g., Guendelman, Cheryan, & Monin, 2011; Oyserman, Fryberg, & Yoder, 2007) but rarely considers social class. However, it is clear that identity threats associated with these disadvantaged positions are also experienced by individuals with lower socioeconomic status (Croizet & Claire, 1998; Fiske et al., 2002).

The lack of studies is surprising given that findings from other research domains indicate that social class does not only influence what we eat; our food choices shape our self- and group-identity, and determine what we communicate about ourselves to others in our environment (Sato, Gittelsohn, Unsain, Roble, & Scagliusi, 2016). For instance, a consumer research study found that when men have to choose a steak in a public setting, they avoid picking the “ladies’ cut” steak to keep their image of manliness intact (White & Dahl, 2006). Different motives underlie consumption as a function of social groups, for instance, the consumption of products’ characteristic of a particular group in order to affiliate with that group and distinguish oneself from another group (Guendelman et al., 2011; Lee & Shrum, 2012; Mead, Baumeister, Stillman, Rawn, & Vohs, 2011) or to signal one’s rank in the social hierarchy (Veblen, 1899).

People generally believe that individuals from lower social classes eat more unhealthily, and this lay-belief is shared among lower-class individuals themselves (Bugge, 2011; Davidson, Kitzinger, & Hunt, 2006). In a recent study, we asked 200 US and UK residents, with diverse socioeconomic backgrounds, to evaluate 65 food items in terms of whether they associated them as belonging to lower- or higher-status individuals or groups, and to rate them on scales of healthiness, caloric content, and price (Claassen, Klein, & Corneille, 2019). Evaluations of higher status were positively correlated with evaluations of healthiness, $r(63) = 0.541$, lower caloric content, $r(63) = -0.400$, and higher price, $r(63) = 0.812$. All correlations were statistically significant with p -values under 0.001. For instance, fish sticks,

hotdog, and donut were perceived as lower-status unhealthy foods, whereas asparagus, avocado, and sushi were perceived as higher-status healthy foods.

The above implies that identifying as a low- or high-class individual can lead to specific food choices through beliefs and norms regarding foods, which then become ingrained within a particular social class identity. Findings from a study in the Netherlands showed that consumption of “superfoods” is associated with status signaling for higher-status individuals. Higher levels of income and education were related to higher consumption of spelt products, quinoa, goji berries, chia seeds, and wheatgrass (Oude Groeniger, van Lenthe, Beenackers, & Kamphuis, 2017). The associations between income, education, and consumption of these foods were attenuated when participation in cultural events (e.g., museum, theater, or concert visits) was statistically controlled for. This suggests that the consumption of these superfoods serves a similar purpose as participating in cultural events: They increase one’s cultural and symbolic status. Another illustration of a similar phenomenon is the “buying into” other culture’s food heritage by consuming exotic and culturally diverse foods that are inaccessible to lower classes (Wills, Backett-Milburn, Roberts, & Lawton, 2011); for instance, spices such as nutmeg and ginger were hard to get in the past and consuming them was reserved for the rich (van der Veen, 2003).

The few studies that examine the symbolic meaning of food in individuals with lower SES, suggest that they may be tempted to reject healthy foods if they are perceived not to fit with the consumption patterns of their ingroup. In a focus group with young adolescents from communities in the UK, one of the participants stated: “...all the healthy stuff”, like “water, banana, yoghurt, cheese strings,” is what geeks would bring to school “because they would want you to think they were smart and that” (Stead, McDermott, MacKintosh, & Adamson, 2011, p. 1136). In contrast, participants perceived the consumption of unhealthy foods such as *Coke*® and crisps as good for their image and as a means to blend in with the crowd, especially the adolescents with lower social status. This suggests that unhealthy foods are regarded as food for the “cool kids” and are consumed as a form of rebellion against the “healthy norm” (Bugge, 2011; Johnston, Rodney, & Szabo, 2012; Oyserman, Smith, & Elmore, 2014).

When given the opportunity to do so, individuals with lower status may aspire to increase their perceived status by consuming particular foods. An experimental manipulation of relative deprivation led participants in that condition to prefer candy bars that were scarce but not candy bars that were available in abundance (Sharma & Alter, 2012). We know from previous research that product scarcity signals expensiveness (Lynn, 1989). Other studies have shown that identifying with lower-status groups increases the desire for higher-status goods (Mazzocco, Rucker, Galinsky, & Anderson, 2012), and for foods that may increase one’s perceived social status: For instance, foods that signal power and strength such as meat (Chan & Zlatevska, 2019), or products of larger sizes (Dubois, Rucker, & Galinsky, 2012).

However, when inequality is high, social-class boundaries are tightened and social mobility, the extent to which individuals can move from one social class to another, decreases (Day & Fiske, chapter “[Understanding the Nature and Consequences of Social Mobility Beliefs](#)”; Wang, Jetten, & Steffens, chapter “[Do People Want More Wealth and Status in Unequal Societies?](#)”). This (perceived)

stability of social-class boundaries maintains the classed norms regarding healthy diets (as well as body sizes), which tend to be unhealthier among lower social classes (Fikkan & Rothblum, 2012; Godley & McLaren, 2010). Although individuals with lower status are aware of the differences between healthy and unhealthy foods, a healthy diet needs to become congruent with their lower-class identity for them to engage in behaviors promoting healthier food choices (Oyserman et al., 2014; Stephens, Markus, & Fryberg, 2012).

The existing research on classed food choices is limited, however, and focuses on specific groups. This restricts the generalizability of the findings to other social and cultural groups within and between societies. Moreover, the studies only allow for analysis of observed behaviors regarding food choices in service of social affiliation or distinction. Examination of the underlying motives and psychological processes could, for instance, provide information on whether social distinction by higher-status individuals is motivated by the fear of losing status (see Scheepers & Ellemers, chapter “Explaining Defensiveness to the Resolution of Social Inequality in Members of Dominant Groups”), or whether freedom to choose instills the fear of making the wrong choice (Bauman, 1988; Warde, 1994). This would entail that the constriction of social classes due to increasing inequality can also be detrimental to the health of higher-class individuals, albeit for different reasons than for individuals of lower class.

Future research could examine processes related to independent and interdependent social orientations, provided that these orientations are associated with tendencies to affiliate with others or to distinguish the self from them (Sweet, 2011; van der Veen, 2003) and are affected by societal inequality (Loughnan et al., 2011; Sánchez-Rodríguez, Willis, & Rodríguez-Bailón, 2017) as well as individual social status (Kraus, Piff, & Keltner, 2011; Stephens, Markus, & Townsend, 2007; Woolley & Fishbach, 2016).

A Proposed Model of Associations Between Inequality and Eating Behaviors

The reviewed literature indicates that under conditions of higher inequality, the available resources in society are (perceived as) accumulating at the top of the social rank, signaling scarcity and competition for resources. In addition, inequality makes status differences between individuals and groups in society more salient, which activates social comparisons that can lead to negative emotions, higher stress, or negative self-perceptions. Furthermore, when the distance between different social groups increases, it becomes harder for individuals to transition from one group to the other. The reviewed literature indicates that the psychological processes resulting from these status differences can negatively impact eating behaviors, for instance, by increasing one’s physical and psychological desire for calories or by encouraging the selection of foods contingent on social-class norms. Figure 2 provides an overview of the discussed mechanisms.

The influences of inequality on the different psychological processes ascribed to environmental harshness, relative status differences, and increased social-class

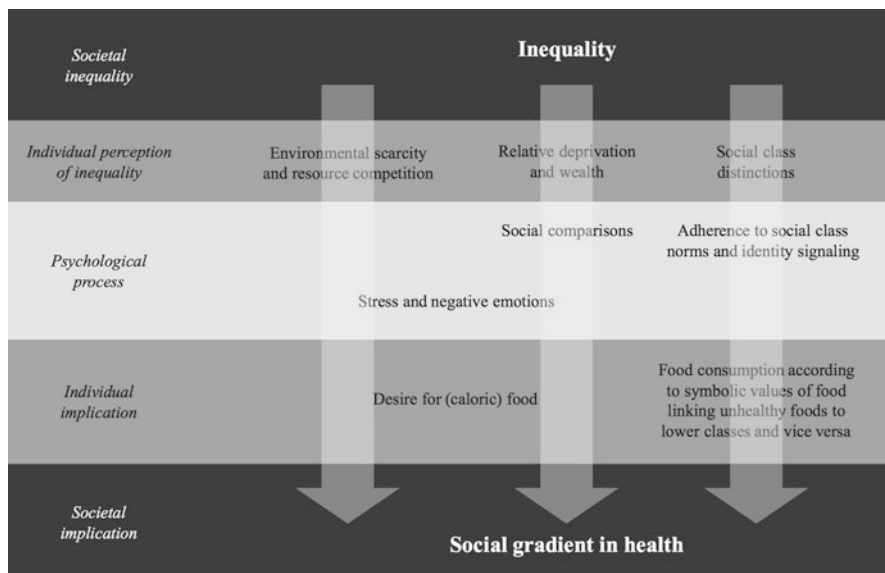


Fig. 2 Proposed model illustrating how inequality may be related to overweight/obesity through its influence on perceptions, emotions, and behaviors in a social context

salience are not mutually exclusive. Although they theoretically describe different behavioral patterns, it is possible that they are driven by similar processes. In particular, negative emotions or increased stress levels could be underlying mechanisms linking inequality-related perceptions with increased caloric intake. The findings from the reviewed experimental studies suggest that both environmental harshness and negative social comparisons are associated with more negative affect or higher stress levels. This is consistent with studies that recorded cardiovascular reactivity similar to that in response to environmental threat, in participants who made upward social comparisons (Mendes, Blascovich, Major, & Seery, 2001) or who were placed in disadvantaged positions compared to an opponent in a game (Cardel et al., 2016).

In addition, other findings indicate that engaging in social distinction under the burden of low material resources and low social mobility can be stressful and can deplete cognitive resources (Johnson, Richeson, & Finkel, 2011; Sweet, 2011). Linda Tirado in her autobiographical essay on poverty, *Hand to Mouth* (2014), described failed attempts of climbing the social ladder: “*We have learned not to try too hard to be middle-class. It never works out well and always makes you feel worse for having tried and failed yet again. Better not to try. It makes more sense to get food that you know will be palatable and cheap and that keeps well. Junk food is a pleasure that we are allowed to have; why would we give that up? We have very few of them.*” These observations corroborate findings on decision-making under conditions of poverty, which suggest that increased stress levels can trigger motivation to obtain calories or can decrease cognitive capacity to, for instance, resist tempting foods (Haushofer & Fehr, 2014; Shah, Mullainathan, & Shafir, 2012; Spears, 2011).

Promisingly, in a series of experiments we found that higher relative income position can overcome the detrimental influence of low absolute income on impulsivity (Claassen, Corneille, & Klein, 2019). More specifically, participants with lower incomes were less likely to delay gratification of monetary and food rewards than participants with higher incomes, but they behaved equally impulsive as richer participants when they engaged in a downward social comparison. This suggests that relative position may matter most in determining behaviors associated with health promotion and that decreasing inequality could ultimately improve the health of lower-status individuals.

Another question of interest in inequality research concerns who is most affected by inequality: individuals at the bottom of the social ladder, or those at the top? The findings on environmental harshness suggest that inequality can worsen the social gradients in food intake due to lower-status individuals desiring caloric foods. This is corroborated by a recent analysis showing that inequality is only associated with unhappiness and psychological health for individuals who experience financial scarcity (Sommet, Morselli, & Spini, 2018). This emphasizes the double burden of being poor in an unequal society: Poverty in both absolute and relative terms is detrimental to health.

Furthermore, the findings on social-class distinctions also suggest that inequality affects the health of lower-status individuals. Socially stratified symbolic values of food ascribe unhealthier foods to lower classes. Not only does this generate social gradients in health, but these gradients themselves feed back into the inequality cycle by maintaining inequalities in diet patterns and weight status.

Yet, the findings on relative comparisons suggest that both the poor and rich may be affected by inequality: It increases the identity salience of the poor and rich and the tension resulting from wealth differences. Anxiety from social comparisons can provoke an increase in calorie consumption as a coping mechanism for both lower- and higher-status individuals (Bratanova et al., 2016). This resonates with research showing that identity threats lead to food intake and weight gain (Vartanian & Porter, 2016), given that both the poor and rich are stigmatized and subject of stereotype threat (Fiske et al., 2002; Fiske & Durante, chapter “[Mutual Status Stereotypes Maintain Inequality](#)”). The idea that inequality increases anxiety for both lower- and higher-status individuals is corroborated by a multilevel study whose findings showed that the income–anxiety gradient was the same across all countries no matter their level of inequality, but that absolute levels of reported anxiety were higher in more unequal countries (Layte & Whelan, 2014).

Conclusion

The findings discussed in this chapter suggest explanations for why current interventions and policies aimed at decreasing social gradients in health may benefit from inclusion of a psychological perspective (Callan, Kim, & Matthews, 2015; Claassen, Klein, Bratanova, Claes, & Corneille, 2018). These interventions typically focus on reducing financial or educational inequalities. Nevertheless, even if healthy foods were equally accessible to low- and high-status individuals, signs of

environmental harshness due to unequal income distributions would still trigger desire for calories. And even if income distributions were equated between the poor and rich, the sociocultural contexts of classed behavior patterns would still remain embedded in society and would still signal class distinctions between individuals (see also the *inequality maintenance model of social class* proposed by Piff, Kraus, & Keltner, 2018).

Although the findings from experimental studies advance our understanding of the association between inequality and food intake, the downside is that their reliability and generalizability can be called into question: Many studies do not report effect sizes, and when reported, they are small. So are sample sizes for individual studies, which tend to use homogenous highly educated (student) samples. Future studies examining the influence of inequality on food intake should include participants varying in SES. Additionally, replications across different countries and laboratories would decrease the chance of inferring conclusions from false positives (Simmons, Nelson, & Simonsohn, 2011).

Contributors to the literature propose including relative indicators of SES, for instance, subjective SES, when assessing societal inequalities. In addition, the authors of a recent narrative review emphasize the importance of considering adaptive responses and developmental factors (e.g., responses to environmental threat or childhood SES; Caldwell & Sayer, 2018). We believe that it is also important to include symbolic markers of wealth or status, or social class, since these indicators capture unique variance in health inequality (Markus & Stephens, 2017). In country-level analyses, social mobility could be used as an indicator of the level of stratification of a society. Lastly, whereas many studies focus on the negative influence of inequality on the well-being of the poor, there is a reason to believe that inequality can also have detrimental effects on the more advantaged individuals in a society. Capitalizing on this last finding could mobilize resources toward studying and diminishing societal inequalities.

This chapter emphasizes that the relation between inequality and the consumption of unhealthier or caloric foods does not only derive from poor nutritional knowledge, lack of access to healthier foods, or the actual financial cost of these foods. It is also a function of social psychological mechanisms that impinge on perceptions of status and competition in one's surroundings as well as the symbolic value of food (e.g., as a marker of identity). Any attempt to address this important public health problem would benefit from taking these aspects into account.

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Income Inequality and Reproductive Competition: Implications for Consumption, Status-Seeking, and Women's Self-Sexualization



Khandis Blake and Robert C. Brooks

Introduction

Inequality generates and amplifies incentives for individuals to strive to elevate or maintain their status, with consequences both for the individuals involved and for the societies in which they live (Andersen & Curtis, 2012; Cheung & Lucas, 2016; Oishi Kesebir, & Diener, 2011; Wilkinson & Pickett, 2009). A great deal of excellent research, including the work reviewed in many of the chapters in this book, examines *how* inequality shapes incentives, motivations, and resulting patterns of behavior. What remains considerably less clear is *why* the relationships between inequality and behavior are as we find them. *Why* are certain kinds of inequality more salient than others? And *why* are some individuals more affected by inequality than others? Evolutionary theory presents a useful distinction between “how?” based, or *proximate* explanations, and these “why?” based, or *ultimate* explanations (Laland, et al., 2011; Mayr, 1961). In this chapter we attend to the latter end of this dichotomy to provide an ultimate explanation for why inequality motivates some behaviors more than others.

Ultimate explanations in evolution often relate to reproduction. And this is no less true when it comes to inequality: there exists a growing body of evidence that suggests that inequality has such strong effects on motivation and behavior because it affects reproductive success, thereby incentivizing particular reproductive strategies. In this chapter, we draw on literature from psychology, biology, and economics to map a relationship between income inequality, status competition, and reproductive strategies for men and women. We begin by explaining why reproductive success is affected by economic inequality, drawing attention to the

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proximate mechanism of status competition. We then summarize evidence demonstrating the effects of inequality on male, and female, reproductive strategies.

Reproductive Success and Economic Inequality

To understand the relationship between reproductive success and economic inequality, it is important first to understand what is meant by the terms “reproductive success” and “fitness”. The genes possessed by every individual living today were inherited from biological parents, grandparents, great-grandparents, and so forth, each of whom passed those genes on by reproducing. That is to say that everybody alive today descends from a staggering number of reproductively successful ancestors, and not a single reproductively unsuccessful individual. More than 160 years from Darwin’s publication of his *Origin of Species* (Darwin, 1859) it is well established that, *ceteris paribus*, genes that enhance reproductive success tend to persist across generations, displacing genes that have no or negative effects on reproductive success (Jennions & Kokko, 2010). It is for this reason that evolutionary scientists can appear, to those not used to thinking in this way, to be preoccupied, or even obsessed, with sex and reproduction.

It is not correct, however, to leap to the conclusion that more offspring are necessarily always better. The *quality* of those offspring can matter every bit as much as their *quantity*. Offspring that have been cared for, and taught, are more likely to survive and reproduce in their own right, and thus to achieve reproductive success of their own. Evolutionary “fitness” is the success, over many generations, at producing offspring who go on to produce offspring in turn. Fitness is subject to a perennial trade-off between offspring quantity against quality, and natural selection optimizes this trade-off as a function of the species’ ecological way of life (Stearns, 1992). Supplementing this, individual reproductive investments also respond in fine-tuned fashion to the particular circumstances of that individual’s life (Kaplan et al., 2015; Stearns, 1992).

The fittest ancestors in human history tended to be those who not only enjoyed reproductive success (offspring quantity), but who also provided their children and grand-children with the material and social circumstances that they, in turn, needed to survive, thrive, and mate (offspring quality). Wealth and social status became important determinants of fitness with the advent of agriculture around 12,000 years ago. At this time, the economic circumstances of farming permitted families to generate surpluses and turn them into wealth that could be stored and passed on to children, as well as enabling families to own and pass on the land that generated that wealth (Betzig, 1994; Cashdan, 1993). Holding wealth and status not only improved one’s survival and the survival of one’s offspring, but it also thereby improved one’s attractiveness to potential mates. Mate choice became a way of improving status and material wealth for oneself, and for one’s offspring who could inherit both the wealth and status. Across many documented cultures, women tend to prefer male partners who have more resources, especially those in the form of status, money,

and prestige (Buss, 1989; Cashdan, 1996; Hill & Hurtado, 1996). Likewise, across a variety of societies, the quantity of resources held by men (but not women) translates into more success reproductively (Betzig, 1994; Hopcroft, 2006).

Why do women, but not men, tend to marry upward into families of greater status and wealth? One of the many complex reasons is the widespread exclusion of women from holding the same wealth and status as men. Although this pattern is present in traditional foraging, herding, and horticultural societies (Reiss, 1986), it grew stronger when technologies like the plough permitted the intensification of agriculture, opening up ever-larger inequalities between the wealthiest and poorest families (Alesina, Giuliano, & Nunn, 2013). Acquiring wealth and status via one's spouse or consort became a particularly fruitful strategy (sometimes the only strategy) for women to achieve upward mobility. Even the freedom or opportunity for contemporary women to support themselves economically does not extend to all women across all cultures, and, to this day, many women still depend on marriage for survival and social mobility in even the most progressive societies. Variation in wealth disparities between individuals and families is thus fundamentally relevant for reproductive success, though it tends to affect men and women differently. In the following sections, we draw attention to the effects of economic inequality on reproductive success for men and for women.

Inequality and Men's Reproductive Success

The relationship between economic inequality, fitness, and subsequent behavior is more routinely researched among men than among women. In an influential series of studies, Martin Daly and Margo Wilson show that one effect of living in economically unequal environments is increased competitiveness that manifests in risky status-seeking and status-protecting behaviors among men (e.g., Daly, 2016; Daly & Wilson, 2001; Daly, Wilson, & Vasdev, 2001). Much evidence shows that this risk-taking accounts for the positive relationship between income inequality, violent crime, and homicide (Daly, 2016; Krahn, Hatnagel, & Gartrell, 1986; Penaherrera-Aguirre et al., 2018; Wilson & Daly, 1997).

A large proportion of male on male homicides are transparently competitive, involving real or imagined status threats, and occurring in a context of material expropriation or sexual rivalry (Daly, 2016; Wilson & Daly 1985). These risk-taking strategies are particularly likely to manifest in young men who experience being relatively deprived (Greitemeyer & Sagioglou, 2017; Wilson & Daly, 1985). As others have argued, relative deprivation may lead people to appraise their situation in a way that shifts the balance of the cost–benefit ratio toward risk-taking and violence (Shah et al., 2012; Smith, Pettigrew, Pippin, & Bialosiewicz, 2012; see also Brown-Iannuzzi & McKee, chapter “[Inequality and Risk-Taking Behaviours](#)”; Sheehy-Skeffington, chapter “[Inequality from the Bottom Up: Psychological Consequences of Being Poor in a Rich Country](#)”).

Another proximate mechanism by which inequality could incentivize risk-taking may be by encouraging men to discount the future. There is a tendency to view an inability or unwillingness to delay gratification as a psychological malady or weakness (Frederick et al., 2002; Kacelnik, 1997; Kirby et al., 1999), but the problem of how and when to discount the future is an adaptive dilemma that all animals must confront. Delayed gratification and discounting reveal how the future is weighed when deciding the present allocation of effort, and weighing the present more steeply than the future is adaptive in particular situations (Kacelnik, 1997; see also Claassen, Corneille, & Klein, chapter “[The Psychological Consequences of Inequality for Food Intake](#)”). Although individuals vary at a trait level in the degree to which they discount future rewards compared to present ones, future discounting covaries with many of the social ills associated with income inequality, such as intermale violence, problem gambling, and early sexual onset (Canale et al., 2017; Daly et al., 2001; Wilson & Daly, 1997). It may be that cues of deteriorating wealth, or steep competitiveness, typical of high inequality milieus, exacerbate the perceived need to expend effort to get ahead in the near term, thus accounting for the negative effects of inequality on long-term behavioral outcomes.

Income Inequality and Status Seeking Among Women

Much less is known about how income inequality affects status seeking and competitiveness among women. Might income inequality increase competition among women as it does among men? If so, how might that competition manifest?

Young men are the primary perpetrators and victims of violence, physical aggression, and crime in all societies for which data are available (UN Office on Drugs and Crime, 2013), but women can undoubtedly be aggressive and violent (Luke, 2008; Sommers & Baskin, 1994). Women’s competitiveness against other women, however, is more often expressed in nonviolent domains, particularly self-promotion and competitor derogation (Buss, 1988; Buss & Dedden, 1990; Buunk & Fisher, 2009; Campbell, 2004; Fisher & Cox, 2009). Women often compete with one another in the effort they apply to enhancing their physical attractiveness (Buss, 1988; Campbell, 2004; Fisher & Cox, 2009). Beauty is highly valued in women across cultures, and physically and sexually attractive women enjoy many benefits over their plainer competitors (Barber, 1999; Buss, 1989), including higher social status and a greater value as a romantic partner (Barber, 1995).

Wealthy, educated nations have made some progress in recent decades toward women having equal opportunities to men, including opportunities to achieve their goals without having to rely on their physical attractiveness. And yet many women still feel that their physical attractiveness is one of the most valuable resources they have. The tendency to disproportionately value one’s own physical characteristics above one’s other qualities is termed *self-objectification* (Fredrickson & Roberts, 1997), and it is manifestly something younger women

engage in more so than older women or men of any age (Moradi & Huang, 2008). Alongside self-objectification, there is a growing tendency for women in Western cultures to also engage in *self-sexualization*, a trend where women publicly express behaviors usually seen in soft-core pornography, such as wearing sexy, revealing clothing with sexually suggestive slogans (Nowatzki & Morry, 2009).

A vast body of scholarly work suggests that self-objectification is driven by gender inequity. If women are valued more for their looks and less for their earning power, education, intelligence, then we might expect women to internalize these sources of value by self-objectifying and self-sexualizing. In a recent study, we drew attention to the role that income inequality may play in these outcomes. (Note that the gender equity and income inequality hypotheses are not mutually exclusive, and may in fact, be complementary.)

In this study, we recognized that a vast, untapped source of data on self-sexualization behavior exists in the form of “sexy selfie” pictures. Social media platforms such as Instagram and Twitter have enabled women to post pictures of themselves, groomed and often attractively or even scantily dressed for public viewing. To test whether gender inequality and/or income inequality might be associated with women's investment in their physical and sexual attractiveness, we compiled and analyzed a large social media data set on posting rates, and related these to properties of the local social and economic environment at three different geographic scales (Blake, Bastian, Denson, Grosjean, & Brooks, 2018). We measured the number of “sexy selfies” posted on the online social network sites Twitter and Instagram across 113 countries, and for convergent validity, also measured spending in beauty salons and women's clothing stores in the United States. For further validity, we also examined sexy selfie posts across all US cities with populations greater than 5000 inhabitants, as well as all US counties with populations greater than 20,000 inhabitants. We aimed to test the robustness of any resultant effects at different geographic scales.

We found the same pattern across all geographic levels: In areas of higher income inequality, women posted more sexy selfies online and spent more money in beauty salons and women's clothing stores. Consistent with past work showing that sexualization and social media use are more common in reproductive aged women (Duggan & Brenner, 2013), we also found that regions with, on average, younger women have more sexy selfie posts. Further, we found that areas with poorer, uneducated, and unemployed women had more sexy selfie posts, whereas these same regions have fewer aggregate sales in beauty salons and women's clothing stores. Using the most conservative estimates from these investigations, we can contextualize these findings as follows: For every one standard deviation increase in income inequality, the expected count of the number of sexy selfies in a city or county given its population increased by 31–34% (assuming all other factors are held constant). These effect sizes were modest but reliable: The same pattern of findings emerges in 85 of 86 robustness tests we conducted, including when we exclude WEIRD nations or used other statistical techniques (like Bayesian analyses).

Explaining the Inequality → Attractiveness-Preoccupation Link

Why might it be the case that women in areas of high economic inequality invest more time and attention in their physical and sexual attractiveness? One possibility is that this association is suggestive of a kind of conspicuous consumption where women advertise their attractiveness to appear better off than the other members of their social circle. Several studies report that income inequality encourages households with smaller income to use debt to ensure their consumption level matches that of households with higher income gains, a spending pattern that seems to be motivated by social comparison (e.g., Clark, Kristensen, & Westergård-Nielsen, 2009). This literature informs us that people are more likely to infer another's social status by attending to their consumption of positional goods in economically unequal environments, thus incentivizing the consumption of goods that portray one is of higher status (Walasek, Bhatia, & Brown, 2018; Walasek & Brown, 2015, chapter "Income Inequality and Social Status: The Social Rank and Material Rank Hypotheses"). If women perceive that beauty products, clothing, and sexy selfies are status markers, they might use these behaviors to signal high status.

There are arguments for and against this conspicuous consumption argument. On one hand, beauty and attractiveness can confer status benefits (Eagly, Ashmore, Makhijani, & Longo, 1991; Maestripieri, Henry, & Nickels, 2017), especially for women. This result supports the idea that women conspicuously consume beauty-related products to signal high status in environments preoccupied with social rank. On the other hand, women who wear revealing and sexualized clothing are perceived to *lack* status (Fiske, Cuddy, Glick, & Xu, 2002). Indeed, sexualized clothing encourages psychological processes that attribute wearers' diminished degrees of those qualities so essential to being well-thought of, such as competence, prestige, and warmth (Blake, Bastian, & Denson, 2016). Though conspicuous consumption may account for covariation between income inequality, beauty salon, and women's clothing expenditure, on its own terms it seems a less satisfactory explanation for the sexualized selfie findings.

An overlapping view, and one with more focus on *ultimate* causation, is that women's investment in their attractiveness in economically unequal environments is partly driven by an increased motivation to socially climb, and potentially enhance their long-term fitness prospects, by attracting well-off men. Attracting high quality romantic partners, or at least sexual interest from high-quality men who may become important allies (see Maestripieri et al., 2017), might allow women to *achieve* higher status. Though the reasons women are preoccupied with their physical appearance and wear revealing clothing are complex and varied, many women report engaging in these behaviors to attract and capture the attention of men (Smolak, Murnen, & Myers, 2014; Yost & McCarthy, 2012). Women frequently compete with one another by enhancing their physical appearance, including by wearing revealing clothing (Barber, 1999; Buss, 1988). There is also some evidence that priming female–female competition increases women's interest in conspicu-

ously consuming luxury brands of clothing and accessories (Hudders, Backer, Fisher, & Vyncke, 2014; Wang & Griskevicius, 2014). In times of economic threat (such as when incomes are unequal), women may adjust their behavior by adopting strategies designed to attract and align themselves with men with greater economic potential than themselves, an explanation that is also consistent with the social role theory of gender (Eagly & Wood, 1999).

Supporting evidence for the idea that the intensity of female–female competition is driven by the variance in male resource-holding comes from a surprising source: Data on environments that exacerbate competition among female nonhuman animals. A key framework in evolutionary biology holds that relationships between male and female animals can be considered a kind of marketplace. Work in this field shows that competitive behavior among females depends on the quality of the males available in that market: When male resource holdings are highly variable, females compete most avidly to attract the males holding the most resources (Jennions & Petrie, 1997). Returning to human animals, because household income inequality is more reflective of variation in male income across households than variation in female income (Kimhi, 2008), economically unequal environments may reflect the same conditions of variation in male resource holding that motivates female–female competition in nonhuman animals. Environments with high income inequality, therefore, may amplify women's incentives to invest more time and energy in attracting well-off men and out-doing their romantic competitors.

The link between high inequality and women's appearance-related competition also comes from the so-called “lipstick effect.” Although consumer spending usually declines during times of economic recession, one specific product category appears to reliably experience surprising growth: the consumption of beauty products (Nelson, 2001). In a series of studies, Hill, Rodeheffer, Griskevicius, Durante, and White (2012) demonstrate that economic recession primes increase women's desire to buy beauty products. Hill et al. (2012) showed that economic insecurity increases beauty product expenditure *because* it elevates women's desire for resource-rich male partners. Rather than merely signaling the desire for cheap indulgences, the “lipstick effect” extends toward all products that increase women's self-perceived desirability to men, regardless of their cost (Hill et al., 2012). Women's own socioeconomic status was also not a driver of the lipstick effect, suggesting that an increased interest in beauty products is not due to women's lower status generally. The implication is that economically uncertain environments encourage a beauty-focused competitiveness among some women because attractiveness enhancement is a strategy that women use to achieve status.

Recent work in economics shows convergent support for this idea. At least since Becker (1981), economists have found much benefit to be gained by considering romantic relationships as subject to social exchange. The idea is that men and women, acting as agents in a marketplace, exchange sex for other resources in that market (e.g., time, affection, love). One way in which economists measure outcomes in that market is by tracking the percentage of single-parent households and children born to young mothers. They reason that such outcomes provide insight into the bargaining power of men and women, as women are less likely to have

casual sex, and men are less likely to abandon their romantic partners, when marketplace conditions favor women over men (Barber, 2001). Between 1970 and 1990, rising wage inequality among men in the United States led directly to decreased probabilities of women marrying and an increase in women's age at marriage (Loughran, 2002). These effects were attributed to the greater benefits of searching for a marriage partner rather than settling, as securing a high-earning partner becomes more important under higher inequality (Loughran, 2002). In other words, when the quality among potential male partners was highly disparate, women delayed marriage in order to maximize their chances of securing the highest-quality male partner available.

A large body of work showing that economic conditions that narrow the pool of suitable male bachelors (i.e., reducing the "supply" of suitable men in the market) also erodes the incentive for those men to maintain committed romantic relationships (i.e., because supply outweighs demand), strengthening men's bargaining position for casual sex (e.g., Angrist, 2002). Autor, Dorn, and Hanson (2019) recently showed that when international manufacturing competition in the years 1990–2014 caused men's earnings to drop dramatically relative to women's in parts of the United States, it also caused a drop in marriage rates, and a rise in single parenting. The implication is that in economic conditions that result in many men seeming worse off than their competitors, the pool of desirable male bachelors is restricted to those at the higher ends of the income distribution. This reduced supply of suitable men increases competition among women vying for economic advancement through marriage, thus incentivizing behaviors aiming to attract the relatively few high-quality male potential partners. This market-based account provides a novel perspective for why fertility is higher and more variable, and why there are more teenage pregnancies in communities with higher income inequality (Chiavegatto, Alexandre, & Kawachi, 2015; Colleran, Jasienska, Nenko, Galbarczyk, & Mace, 2015; Gold et al., 2004; Santelli, Song, Garbers, Sharma, & Viner, 2017). It also explains why these outcomes can disproportionately affect relatively deprived women (Kearney & Levine, 2014; Noah, Yang, & Wang, 2018), who are more reliant on gaining social status and economic security through attracting male partners, and thus suffer the potentially negative consequences of casual sex most acutely.

We have highlighted economic and biological accounts for understanding women's sexy selfies in economically unequal environments, but these accounts are neither the only interpretations, nor do they exclude other, often more proximate, kinds of accounts. One such proximate explanation that we cannot dismiss is that women's investment in attractiveness enhancement in these environments—rather than directly aiming to convey high status—reflects a mindset focused on obtaining external approval. Deci and Ryan (2000) explain that threats to basic needs such as for autonomy, competence, and relatedness can compel people to move away from inherently fulfilling activities toward those that compensate by providing an interim experience of need satisfaction (e.g., approval via fame and attractiveness). Economic inequality has been shown to lower the likelihood that self-determination needs are met (Di Domenico & Fournier, 2014), raising the possibility that women's investment in attractiveness enhancement in economically unequal environments

may reflect a compensatory reaction to unfulfilled self-determination needs. In this sense, the aim of increased spending in beauty salons and clothing stores, as well as posting more sexy selfies, is not to gain status directly. The aim is, instead, to gain external approval from others by fulfilling cultural standards of physical and sexual attractiveness, thus satisfying one's own thwarted psychological needs for self-determination. Attempts to resolve both how and why inequality has the effects that it does on women's self-sexualization and other behaviors will require patient experimental work, as well as a willingness to differentiate and understand both proximate and ultimate causation.

Conclusion

One of the ways that income inequality affects humans psychologically is by stoking status anxiety and competitiveness. These psychological effects can incentivize particular behaviors, including motivating a desire to do better than others and protect one's social position. We have drawn attention to the importance of these inequality-driven incentives in the context of reproduction, especially competition for and attraction of romantic partners. While the effects of inequality on male competition through future discounting, risk-taking, and occasionally violent jockeying for status and respect are relatively well-established (Wilson & Daly, 1985; Wilson & Daly, 1997), we propose that income inequality has commensurable effects on women's motivation to enhance their physical attractiveness, and to compete by presenting themselves in conspicuous and often sexualized ways, including by posting sexy images of themselves online. We suggest that these behaviors are due to proximate desires to signal high status and socially climb, and can also reflect a mindset focused on obtaining external approval. Moreover, we interpret these proximate mechanisms in terms of the ultimate function of enhancing status and reproductive success by securing the highest status and/or wealthiest available mates and male allies. More research mapping the specific psychological effects of income inequality as they pertain to women's appearance enhancement would allow a comprehensive understanding of these patterns.

It is also worth noting that increased sexualization in economically unequal environments may derive from a combination of supply and demand factors. In addition to incentivizing women to use their sexual attractiveness to socially climb (i.e., increased supply), income inequality may elevate men's desire for sexualization (i.e., increased demand). Thus, when we see income inequality changing women's behavior in particular ways that suggest attraction goals have been activated, we should remember that this could partly reflect women adjusting their behavior to suit what they think is desirable in that environment. This type of market-based theorizing is well developed in other fields, though it is underutilized in social psychology. Contextualizing individual behavior as occurring inside a market that incentivizes particular outcomes has much to offer future social psychological work, especially as it pertains to understanding the effects of income inequality on behavioral outcomes.

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But That's Not Fair! The Experience of Economic Inequality from a Child's Perspective



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Economic inequality has become an increasing point of concern, and a large body of research has been dedicated to understanding its implications. For example, high economic inequality has been linked to a number of negative health and social outcomes such as higher obesity rates, poorer mental health, lower trust and lower prosocial behavior (e.g. Côté, House, & Willer, 2015; Wilkinson & Pickett, 2007, 2017). While this research base is expanding, it is also limited in that it disproportionately focuses on the impact of inequality on adults and provides very little understanding on when these effects take hold in children. Here we argue that a more complete understanding of the macro-economic effects of inequality can be gained by applying the approaches employed in developmental and cross-cultural psychology to questions traditionally asked by social psychologists.

This approach is all the more important because, as Machluf and Bjorklund (2015) note, "...the origins of humans' social nature and cognition are found in infancy and childhood, placing social cognitive development at center stage in understanding the evolution of the human mind." Developmental perspectives can provide unique insights into the foundations of human behavior and cognition (Bateson & Laland, 2013; McAuliffe, Blake, Steinbeis, & Warneken, 2017). That is, exclusively focusing on adults limits a complete understanding of the relative impact of socialization over biology. An alternative approach that combines developmental perspectives with cross-cultural research can shed substantial light onto how different environments promote or inhibit psychological processes (Liebal & Haun, 2018; Nielsen & Haun, 2016). For example, if traits are shared across diverse cultures, this suggests that the trait is fundamental to being human. If, however,

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traits differ in certain cultures, we might infer malleability and examine the features of these cultures to reveal which environmental idiosyncrasies promote emergence. Furthermore, charting when traits develop during the lifespan can reveal insights into underlying cognitive mechanisms (McAuliffe et al., 2017).

In combination, we focus on children's responses to inequality in an attempt to provide unique insights into the human experience of economic inequality. We will first discuss the importance of fairness appraisals when examining perceptions of, and reactions to, economic inequality. We will then chart the ontogeny of fairness concerns and how this intersects with children's experience of inequality as their cognition becomes increasingly complex. Finally, we will uncover how diverse cultural and economic backgrounds can impact children's acquisition of fairness principles, as well as how they may react to broader economic inequality.

Inequality or Inequity?

Economic inequality is broadly defined as a majority of wealth being concentrated in the hands of a minority, resulting in outcomes that are unequally distributed (Wilkinson & Pickett, 2009). The degree of wealth discrepancies within countries has become a marked concern for policymakers and the general public, with world leaders such as Barack Obama labelling it as "the defining challenge of our time" (Furman, 2016). However, accumulating research suggests that the primary concern for citizens is not economic *inequality*, but economic *inequity* (Starmans, Sheskin, & Bloom, 2017). While inequality refers to the absolute distribution of resources, inequity takes into account the fairness of that distribution (Nielsen, 2017). That is, individuals will be content with unequal outcomes so long as the division of resources is deemed a fair allocation (Almås, Cappelen, Sørensen, & Tungodden, 2010; Baumard, Mascaro, & Chevallier, 2012; Starmans et al., 2017; Tyler, 2011).

However, the study of the way that fairness perceptions shape responses to inequality is complicated by the fact that notions of fairness are culturally contingent (e.g., Blake et al., 2015; Schäfer, Haun, & Tomasello, 2015) and different principles can drive fairness perceptions. For this very reason, there is little consensus in the literature on how to define fairness. Accounting for these cultural differences, here we take account of three notions that influence fairness appraisals: sameness, deservedness and need (Dobrin, 2012; Reeskens & van Oorschot, 2013). First, notions of sameness describe fairness as equal outcomes for all. Second, fairness can be derived from deservedness or merit. That is, rewards should be equal to the work put in, where un/equal work receives un/equal reward (Son Hing et al., 2011). Finally, individuals may deem a division of resources as fair if there is consideration of need, such that resources are divided by taking into account any pre-existing disadvantages (Reeskens & van Oorschot, 2013). As it implies, equality is represented by sameness, whereas equity can be partitioned into notions of deservingness and need.

All three notions of fairness are central to understanding how individuals perceive inequality (Starmans et al., 2017). To elaborate, whether fairness is derived

from sameness, deservedness or need can shape a person's view on social issues in dramatically diverse ways (Dobrin, 2012; Reeskens & van Oorschot, 2013). For example, notions of equality suggest that school funding should be spent on each child equally. In contrast, notions of merit or need would suggest that funding should be allocated to children based on academic output or pre-existing disadvantage, respectively.

To answer the question of which fairness principle will guide responses in unequal resource contexts, it may be important to explore how these views are acquired in the first place. To accurately answer that question, a thorough analysis begins in childhood. If we are to wholly understand the human experience of inequality, we must first chart how children acquire these three fairness principles, how these influence reactions to inequality, and how different environments may influence these conceptions.

Developmental Perspectives on Fairness Perceptions

Equality Research suggests that a preference for equality emerges early in development. Twelve-month-old, but not 9-month-old, infants look longer at unequal distributions compared to equal distributions, suggesting that children expect egalitarian outcomes by the second year of life (Schmidt & Sommerville, 2011; Ziv & Sommerville, 2017). Furthermore, sharing behavior and sibling presence predicted individual differences in looking time, suggesting a role of early environmental input in acquiring egalitarian norms. However, a preference for equality is not evident in children's behavior until they reach their preschool years (Warneken, 2018). After collaborating with a peer, that is, working towards a mutually beneficial goal (Kohn, 1992), 2-year-old children will rarely divide resources between themselves equally (Hamann, Warneken, Greenberg, & Tomasello, 2011). In contrast, 3-year-old children in the same context will divide resources equally amongst themselves and a peer. There is also evidence that 3-year-old children will also consistently divide resources equally between two external parties (i.e., in a third-party interaction) and demonstrate no preferential treatment for familiar individuals over strangers (Olson & Spelke, 2008). As children reach 6 to 8 years, there is evidence of a robust preference for equality and this manifests in decisions about unequal resources. For example, if two characters did a good job cleaning their room, children would rather discard an extra resource than divide rewards unequally (Shaw & Olson, 2012). Impressively, the decision to throw away an extra resource is maintained in first party interactions (i.e., when dividing between self and other), demonstrating that an equality preference trumps self-serving outcomes.

Merit While the work above provides strong evidence of a preference for equality, there is also evidence that children have an increasing preference for merit with age (Starmans et al., 2017). Older children and adults gravitate away from equality when discrepancies in effort or skill validate unequal outcomes. In the preschool

years, however, children appear to rely on a basic heuristic that prioritizes equality over meritocratic outcomes (Kirkland, Jetten, & Nielsen, 2018; Rizzo & Killen, 2016). However, preschoolers' judgments of what's fair and their resource allocation behavior do not always align, and this discrepancy is referred to as the "knowledge-behaviour gap" (Blake, McAuliffe, & Warneken, 2014). For example, children not only divide resources equally between individuals who have engaged in unequal work, but also verbally endorse divisions based on merit. Indeed, accumulating research is uncovering a sophisticated underlying conception of merit in children as young as 3 to 4 years (Warneken, 2018).

Nevertheless, preschoolers' meritocratic behavior generally emerges only when children are presented with an initial situation characterized by unequal resources, negating any possibility of egalitarian outcomes (Baumard et al., 2012). For example, 3-year-old children were presented with two characters who worked toward a task with unequal effort, and were asked to divide a large and small cookie between the two. Children frequently took merit into account, and gave the harder worker the larger cookie. However, they gave one character a cookie each when they were given three cookies to share, and only shared the third with the harder worker after being prompted by the experimenter to share the extra cookie. These findings suggest that children have a relatively sophisticated conception of merit, but that this is easily trumped by an overarching preference for equality. However, with age, children place increasing emphasis on meritocratic outcomes (Sigelman & Waitzman, 2016). For example, 8-year-old children will consistently divide resources based on productivity rather than equality (Schmidt, Svetlova, Johe, & Tomasello, 2016), and look negatively upon allocating resources equally when meritocratic divisions are contextually more appropriate (Noh, 2017).

As children reach middle childhood, that is, the period between 6 and 12 years, their perceived importance of "equal work deserves equal reward" aligns with adult preferences (Starmans et al., 2017). However, societal resource distributions are rarely genuinely meritocratic, and one's position in society does not always reflect actual effort or skill (Chetty et al., 2016; Davidai & Gilovich, 2015; Wilkinson & Pickett, 2009). Thus, how do children make meritocratic judgments when outcomes and effort are in conflict? To test this possibility, 3- to 6-year-old children and 7- to 10-year-old children were shown characters whose outcome (i.e., growing flowers) contrasted with the process (i.e., the degree of effort put into gardening) (Noh, 2017). The younger children tended to place greater emphasis on the outcome, and only with age did effort and intentions emerge as an imperative factor in fairness judgements. In sum, this work demonstrates that an increasingly sophisticated understanding of merit develops between 3 and 8 years of age. As we will discuss below, there is evidence of a similar trajectory in the development of conceptions of need.

Need As with merit, young children's evaluations of need are overridden by a behavioral preference for equal outcomes. However, as children age, there is evidence of a marked change in their resource division behavior when presented with a disadvantaged and advantaged individual (Paulus, 2014; Rizzo & Killen, 2016; Sigelman & Waitzman, 2016; Wörle & Paulus, 2018). Three- to 4-year-old

children will allocate resources equally between a rich and a poor individual, although they tend to positively evaluate equitable divisions in their verbal judgments (Rizzo & Killen, 2016). In contrast, 5- to 6-year-old children tend to divide resources based on need, although they will endorse both equal and equitable divisions of resources. Furthermore, 7- to 8-year-old children will consistently use need to guide their resource division behavior and will judge allocations based on equality negatively if there are pre-existing disadvantages. Thus, as with merit, need becomes a more important principle for children from school age onwards. There is also evidence of a knowledge–behavior gap among preschoolers required to make decisions based on need versus equality.

The acquisition of principles of merit and need is integral to understand responses to inequality. However, the research reviewed so far largely explored children's fairness perceptions when allocating resources to children other than themselves. To fully understand such responses, we also need to take account of the way fairness perceptions and responses are affected by the needs of others in conjunction with the needs of the self.

Fairness to the Self and Others

A clearly documented developmental pattern occurs when children's evaluations of first-party inequality change from a focus of fairness for the self, to fairness for the self *and* others (McAuliffe et al., 2017). Pre-schoolers struggle to prioritize others when doing so incurs a personal cost, and tend to opt for self-serving outcomes (Blake et al., 2014; Green et al., 2018; Svetlova et al., 2010). Thus, an important developmental task for children presented with first-party inequality is to learn how to suppress selfish desires and prioritize the needs of others.

This self-serving motive places constraints on young children's ability to engage in meritocratic behavior in first-party inequality. In one demonstration of this, 3- and 5-year-old children engaged in a collaborative task with a puppet who either worked harder or put in less work than the child (Kanngiesser & Warneken, 2012). Children shared based on merit when they were the individual who put in the most amount of work but instead divided resources equally if they put in less work. Indeed, children only appear to place more emphasis on, and only begin to prioritize, fairness norms (over self-beneficial outcomes) as they approach 7 to 8 years (Smith, Blake, & Harris, 2013). Furthermore, this emerging desire to secure fair outcomes for others seems to be driven by extrinsic motivation. Specifically, 6- to 8-year-old children are more likely to behave in a fair manner when others are aware of their actions (Shaw et al., 2014). When their actions are concealed from others, children will opt for selfish behaviors. Thus, children seem to be motivated to *appear* fair, rather than just be fair.

A further developmental trend that requires suppressing selfish motives is the gradual acquisition of *inequity* aversion. Inequity aversion occurs in situations where two individuals receive unequal resources, and there is no justification for

this inequality (McAuliffe et al., 2017). Thus, it is unfair inequality, or *inequity*. Adults frequently express distaste over this circumstance, regardless of whether they are the disadvantaged or advantaged individuals. This is known as disadvantageous inequity aversion and advantageous inequity aversion, respectively (Ostojic & Clayton, 2013). These two responses are commonly measured via dictator games, where one individual, the actor, has control over all decisions, and the other individual is a passive recipient (i.e., Blake et al., 2015). The actor is presented with sets of unequal rewards where they are either the advantaged or disadvantaged individuals. They have the choice to accept the unequal rewards, such that both receive something, or reject the inequality, ensuring that both receive nothing. Although rejecting advantageous inequity involves a significant cost, 75% of 8-year-olds choose to do so (Blake & McAuliffe, 2011), demonstrating that the motivation to avoid inequity is remarkably strong (McAuliffe et al., 2017).

When we look at children, there is evidence of a lag in the acquisition of these two principles; while disadvantageous inequity aversion emerges in the preschool years, advantageous inequity aversion does not develop until ages 7–8 years (Blake & McAuliffe, 2011). That is, 3- to 4-year-old children will reject inequity when they are relatively deprived but happily accept it where they are at a relative advantage. However, as children age, they learn to suppress desires for selfish gains and will also reject advantageous inequity. Furthermore, these two principles do not appear to be driven by the same underlying motives. McAuliffe, Blake, Kim, Wrangham, and Warneken (2013) presented 4- to 9-year-old children a standard inequity game, where children were tasked with making decisions to reject or accept inequity between either themselves and a partner, or themselves and no one. Interestingly, children expressed disadvantageous inequity aversion whether or not a partner was present, but were more accepting of advantageous inequity when no partner was present. This suggests that the aversion to disadvantageous inequity may be shaped by non-social factors whereas advantageous inequity aversion seems to be driven by a social context.

The development of inequity aversion represents a notable change in children's focus from a concern of fairness violations towards the self, to a concern with violations towards the self *and* others. However, this research rarely includes samples from diverse backgrounds. As alluded to, understandings of fairness are central to how we interpret inequality, and it is thus imperative to understand how different cultural experiences might change these perceptions. It is only with a complete understanding of human fairness can we move towards addressing global economic inequality.

Cross-Cultural Research

The literature base documenting children's understanding of fairness and their reactions to inequality is thorough. However, this literature disproportionately focuses on children from Western countries. Psychological research is subject to persistent sampling bias and largely studies participants from WEIRD (Western,

Educated, Industrialized, Rich, Democratic) backgrounds (Henrich, Heine, & Norenzayan, 2010). Developmental psychology is far from immune to this bias (Nielsen, Haun, Kärtner, & Legare, 2017), and a lack of cultural diversity in developmental research is problematic for a number of reasons (Liebal & Haun, 2018; Nielsen & Haun, 2016). First, when compared to findings of cross-cultural studies, WEIRD findings appear to be unique on a number of important behavioral dimensions, and may actually be unrepresentative of *Homo sapiens* (Henrich et al., 2010). This poses an issue given researchers so frequently generalize these results to all of humankind. Second, only cross-cultural studies, in conjunction with developmental research, can reveal the relative impact of different environments on behavior and cognition. Therefore, a lack of sample diversity leaves a problematic gap in our understanding of how culture shapes humans.

Pointing to the need for such an approach when attempting to understand economic inequality, there is evidence that the acquisition of fairness principles and reactions to inequality are culturally contingent (e.g., Blake et al., 2015; Huppert et al., 2018; Rochat et al., 2009; Schäfer et al., 2015). For instance, Schäfer, Haun and Tomasello (2015) compared the prevalence of merit-based distributive justice in 4- to 11-year-old children in three countries: Germany, an egalitarian foraging society in Namibia and a pastoralist gerontocracy in Kenya (i.e., whereby the society is governed by elders). The study found that while German children placed more emphasis on meritocratic assignment as they aged, children in the egalitarian Namibian culture had a strong desire for equal outcomes across all age groups. Interestingly, children from the Kenyan gerontocracy did not engage in meritocratic assignment at all and instead had no clear pattern of behavior across all ages. The authors theorized that, since decisions in the gerontocracy are made by elders, children in these societies rarely engage in resource division or witness others doing so. This research suggests that merit is not a universally appreciated basis of fairness, and that differences in societal structures may strongly influence the acquisition of this principle.

Furthermore, Blake et al. (2015) examined the prevalence and development of disadvantageous and advantageous inequity aversion in Canada, India, Mexico, Peru, Senegal, Uganda and the United States in children aged 4 to 15 years. While disadvantageous inequity aversion emerged in six of the seven populations, the age of acquisition differed substantially between populations. That is, children in the United States and Canada developed this at the age of 4 years, whereas children in some other societies did not reach similar levels until the age of 8 years. Strikingly, advantageous inequity aversion emerged over similar timespans in Uganda, the United States, and Canada, but did not emerge at all in the four remaining populations. These two principles were once thought to be central to human fairness concerns. Yet, as research accrues, the cultural basis of these principles is becoming increasingly clear.

In sum, cross-cultural research suggests that specific societal norms may be substantially influencing the adoption of fairness principles. While children are likely to be susceptible to environmental influence at an early age, this research suggests that children are most affected by normative input in the middle childhood

years (Blake et al., 2015; House, 2018; Schäfer et al., 2015). Experimental research supports this notion, as children's sharing behavior is increasingly influenced by what an adult claims to be normative as they age from 6 to 11 years (House & Tomasello, 2018).

Societal Inequality

The developmental literature clearly documents how children's fairness concerns develop across the lifespan, and how these concerns intersect with reactions to inequality. Furthermore, cross-cultural literature clearly charts how different environments can influence children's acquisition of fairness concerns, and how they react to inequality. However, at present, there are limitations in the ability of this literature to speak to broader economic inequality. In part, this is because while the study designs traditionally used in the literature are meticulous and informative, they almost exclusively examine how children interpret micro-inequality (i.e., inequality between two individuals). This focus makes it challenging to generalize developmental research to actual wealth inequalities experienced in everyday life. Economic inequality is the complex coexistence of many wealth differences, and being immersed in this environment over a long period of time will undoubtedly provide a different experience to dyadic inequality. Micro-inequality is limited to specific interactions and is unlikely to have a generalized impact on social relationships in the external population.

To date, only a few studies have examined how young children understand societal inequality. Elenbaas (2017) asked 8- to 14-year-old children to make a decision about which children should be allowed to attend a summer camp, when restrictions had been made in the past based on socioeconomic status. Children tended to choose low-income individuals to attend the camp when they had a greater awareness of societal inequality. This suggests that the period between middle childhood and adolescence marks a point when children are making complex fairness judgments about actual societal inequality. However, this research studied only 8-year-old children and older, and does not reveal how younger children perceive societal inequality. Some evidence in this regard is provided by Hazelbaker, Griffin, Nenadal, and Mistry (2018), who examined 5- to 8-year-old children's perceptions of stratification in their neighborhood and measured their perceptions of fairness in the face of different levels of inequality. Children were shown pictorial depictions of varying wealth discrepancies, which were represented by different numbers of poor, middle-class and rich people. Across all ages, children favored an even distribution of wealth. However, this research failed to chart whether children's evaluations of their neighborhood inequality matched actual levels of stratification. Furthermore, this research did not uncover how these factors may be affecting children's behavior.

Addressing this limitation, Kirkland et al. (2018) examined how macro-level economic inequality might impact children's prosocial decision making in an experimental setting. Four-year-old children engaged in several games with six puppet competitors where each individual accrued tokens over time. Children were exposed to either high inequality or low inequality in the outcomes of the puppets. However, children received the same amount of tokens and were an average earner across both conditions. The token division was also causally opaque such that effort or skill never clearly matched the number tokens the child or puppets received. After the games, children swapped their tokens for stickers. An altruistic donation task was then employed where children had the option to donate some of their stickers to a child in need. Furthermore, a resource division task was provided where children were given six tokens and asked to divide them between the puppets. Finally, children's fairness perceptions were measured by asking which puppet they believed tried the hardest, as well as how fair or unfair they perceived the game to be.

Strikingly, it was found that children donated significantly fewer stickers in the high-inequality condition compared to the low-inequality condition. This suggests that macro-inequality may be subtly changing how young children behave, similar to the effects on adults (Cherry, Kroll, & Shogren, 2007; Côté et al., 2015; Nishi, Shirado, Rand, & Christakis, 2015; Sands, 2017; Wang, Jetten & Steffens, chapter "Do People Want More Wealth and Status in Unequal Societies?"). This result may be explained by highly unequal environments instigating a competitive atmosphere (Kirkland et al., 2018; Walasek & Brown, chapter "Income Inequality and Social Status: The Social Rank and Material Rank Hypotheses"), and competition has been linked to decreased prosocial behavior in children (Pappert, Williams, & Moore, 2017) and adults (Cardador & Wrzesniewski, 2015).

However, children's resource division behavior did not differ by condition, and instead they tended to give the puppets one token each. This provides further evidence for the inflexible behavioral equality bias seen in preschool-aged children (Rizzo & Killen, 2016). Finally, children's perceptions of fairness did not differ per condition. Interestingly, they consistently perceived the highest earner to be the hardest worker across both conditions, despite the puppet behavior not having any clear correlation with their outcome. This aligns with prior research that suggests when processes conflict with outcomes, young children place more emphasis on the outcome (Noh, 2017).

In sum, this is the first experimental evidence demonstrating the implications of economic inequality on young children's prosocial behavior. These findings suggest that children's behavior may be affected by high economic inequality before an understanding of fairness has fully developed. Furthermore, it shows that children are not sheltered from the adverse effects of high inequality and may be impacted by broader wealth discrepancies. Finally, this research highlights the integral role developmental perspectives can play in uncovering the human experience of economic inequality.

Conclusion

Economic inequality is a pervasive phenomenon and has been proven to have extensive implications on human behavior (Côté et al., 2015; Wilkinson & Pickett, 2009, 2017). However, children, who comprise a quarter of the world's population, are frequently neglected in this literature. One of our aims in writing this chapter was to detail how children experience discrepancies in wealth, and how this impacts their behavior. From as early as the preschool years, children are already making judgments about what is fair (Blake et al., 2014; Warneken, 2018), and the presence of inequality appears to affect how they treat others (Kirkland et al., 2018). These findings highlight the utmost importance of charting the effects of increasing inequality on one of the most vulnerable and innocent populations: children.

At the beginning of this chapter, we highlighted that "...the origins of humans' social nature and cognition are found in infancy and childhood, placing social cognitive development at center stage in understanding the evolution of the human mind" (Machluf & Bjorklund, 2015). If we are to know why adults react to economic inequality as they do, we must first chart how children respond. Failure to do so would be like trying to determine how a building was constructed without bothering to identify what its foundations are. As is hopefully evident in the research we have covered here, by layering over a synthesis of social and developmental psychology with cross-cultural perspectives, we can arrive at a richer, deeper and more meaningful understanding. By gravitating away from the lens of one field and towards cross-disciplinary approaches, we can achieve a more complete understanding of human behavior under economic inequality. With it will come fuller insight into what it means to be human.

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Economic Inequality and Risk-Taking Behaviors



Jazmin L. Brown-Iannuzzi and Stephanie E. McKee

Economic inequality around the world is rising. Generally speaking, this means that the rich are getting richer and the poor are getting poorer. A clear example of rising inequality is provided by the United States, where inequality has reached the highest levels since the Great Depression (Saez & Zucman, 2016). There is evidence that this rise in inequality has been driven by increases among the extremely wealthy. Specifically, the wealthiest 1% of American households own nearly 40% of the country's wealth whereas the bottom 90% of American households own only 23% of the country's wealth.

Highly unequal wealth distributions are associated with a wide range of negative social and health outcomes. For example, among developed nations, crime rates, interpersonal distrust, mental illness rates, and premature death rates are higher in more unequal (vs. equal) countries (Wilkinson & Pickett, 2009, 2010). This pattern replicates if one looks specifically *within* the United States. States that are more unequal (vs. equal) have higher crime rates, greater interpersonal distrust, higher mental illness rates, and higher premature death rates (Wilkinson & Pickett, 2009, 2010). Importantly, this pattern of results emerges even when controlling for the median income level of the country or state, suggesting that inequality in wealth uniquely predicts social and health outcomes over and above wealth per se. Although much of this work is correlational, longitudinal data suggest that high inequality precedes negative health outcomes, and not vice versa (e.g., Kondo et al., 2009, 2012; Zheng, 2012; for a review see Pickett & Wilkinson, 2015). Together, this research provides a grim picture: High inequality may precede a wide range of negative social and health outcomes.

Given that economic inequality is rising around the world, and inequality is associated with a wide range of negative social and health outcomes, it is particularly important to understand how the macro-level context of inequality may influence

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individual processes. Social psychologists may provide a unique lens through which to investigate this question. Specifically, social psychologists may be able to determine how people understand the macro-level context of economic inequality, and how this context can influence individuals' thoughts, feelings, and behavior. Importantly, these changes in individuals' thoughts, feelings, and behavior may be associated with societal-level consequences that can help explain *why* the context of economic inequality is associated with negative societal-level consequences in other domains such as health. However, the field of social psychology has only recently begun to investigate the mechanisms through which economic inequality influences societal outcomes.

This chapter will focus narrowly on the relationship between economic inequality and individuals' risk-taking behaviors. We focus on risk-taking behaviors because risk is involved in numerous domains, such as gambling, investment in social interactions, health/safety, ethics, and recreation (Weber, Blais & Betz, 2002). Further, risk-taking may be uniquely influenced by economic inequality and result in negative societal-level consequences. While acknowledging the complex and multifaceted nature of the relationship between inequality and risk-taking behaviors, we contend that economic inequality influences risk-taking. Combining the literature on social comparisons and risk sensitivity, we suggest that high inequality leads to more extreme upward comparisons. These extreme upward comparisons, in turn, may make people believe that they need more money in order to be satisfied. Thus, in order to meet this high perceived need, people may be more willing to take risks.

We examine support for this claim through the following framework: First, we briefly define economic inequality. Second, we discuss the relationship between inequality and risk-taking behavior. Finally, we discuss how social comparisons and risk sensitivity theories may inform the relationship between inequality and risk-taking behavior. Throughout the chapter, we suggest that it is particularly important to understand both the *objective* situation of inequality (including measurement issues) and individuals' *subjective* perceptions of inequality. We will also review evidence from a range of academic disciplines to provide further nuance to the theoretical perspective put forth in this chapter.

What Is Economic Inequality?

Broadly speaking, economic inequality describes the variance in economic well-being among individuals in a society (for additional nontechnical information on economic inequality, see <http://www.pewresearch.org>).¹ High economic inequality

¹ Although we recognize that economic inequality can be broken down into at least three categories (wealth inequality, income inequality, and pay inequality), we will not delve into the intricacies of the effects of different type of inequalities in this chapter. Instead, we will broadly focus on economic inequality and its psychological effects.

means that variance in economic well-being is large, with some individuals being well-off while others are not. Low economic inequality means that the variance in economic well-being is small and all individuals are similarly well-off. Importantly, inequality may neither directly reflect the average (or median) economic well-being,² nor does it reflect the level of poverty in a society. The average economic well-being and the poverty level reflect a specific point on the distribution of resources, whereas inequality reflects the whole distribution of economic resources in a given context, such as the degree of difference in wealth between the wealthy and the poor in a society.

There are several different ways to measure inequality. All of these measures attempt to quantify the dispersion of financial resources across individuals, rather than quantify the overall level of resources for an individual at a specific position in society. The most common measure of inequality is the Gini index (Gini, 1912 [reprinted in 1955], 1921). Other common measures of inequality include the 90/10 ratio, which is the ratio of incomes at the 90th percentile versus the bottom 10th percentile, the 90/50 ratio, which is the ratio of incomes at the 90th percentile versus the 50th percentile, and the 50/10 ratio, which is the ratio of incomes at the 50th percentile versus the bottom 10th percentile. These ratios provide slightly different information than the Gini index. For example, the 90/50 ratio measures inequality at the top of the distribution whereas the 50/10 ratio measures inequality at the bottom of the distribution. Thus, utilizing different measures of inequality may be theory driven, such as theorizing that inequality at the top may be particularly important for predicting a given outcome, and could lead to inconsistent findings across different measures. That is, it may not be the case that all measures of inequality have the same relationship with a given societal outcome.

In addition to considering the objective level of economic inequality, it may be important, particularly for psychologists, to consider *perceived economic inequality*. That is, the objective level of inequality may filter through imperfect knowledge and individual biases, resulting in differences between objective and perceived economic inequality. For example, in a now famous set of studies, Norton and Ariely (2011) asked Americans to report the level of inequality in the United States by determining how much wealth was owned by each quintile. Participants were also given two hypothetical extreme examples to provide some context for their responses. One extreme example was absolute equality: The richest 20% of people owned exactly the same amount of private wealth as did all other quintiles. The second extreme example was absolute inequality: The richest 20% of people owned all private wealth while the rest of the population did not own any private wealth. Then, participants were asked to estimate the actual distribution of wealth in the United States across the quintiles. The results revealed that participants dramatically underestimated how much wealth was owned by the richest quintile in the United States and overestimated how much wealth was owned by the poorest two quintiles. This finding suggests that participants perceived much more equality in

²We recognize that some calculations of economic inequality utilize the average or median economic well-being as a comparison point in a ratio.

the United States than actually exists. And, the divergence between perceived and actual inequality was surprisingly consistent across several individual differences, including political ideology, income, and gender. These findings are important because they suggest that perceptions of inequality may imperfectly reflect objective levels of inequality, regardless of individual differences (see also Dawtry, Sutton, & Sibley, chapter “[Social Sampling, Perceptions of Wealth Distribution and Support for Redistribution](#)”).

One reason why perceived and objective inequality diverge may be due to the fact that economic inequality is a difficult concept to understand. In part, the difficulty has to do with understanding the variance in outcomes, not just mean levels of income. Some researchers have argued that it is difficult for people to understand the variance in economic outcomes abstractly, and that concrete income numbers must be presented in order to provide context for the variance in economic outcomes (Eriksson & Simpson, 2012, 2013). To address this potential flaw, researchers conducted another study in which participants were asked to indicate the average wealth (in U.S. dollars) among different income quintiles. Changing the question wording led to more accurate estimations of actual inequality. However, these estimates were still lower than the actual level of inequality *and* participants still reported preferring a more equitable distribution of wealth in the United States. These findings are important for two reasons. First, in order to understand how inequality influences individuals’ psychological processes, we must understand how inequality is understood. This research suggests that inequality is a difficult concept and simple wording changes may aid in people’s understanding of inequality. Second, these findings suggest that even when inequality is worded in a relatively simple manner, people in the United States still prefer a more equitable distribution of wealth.

To us, these findings suggest that understanding why and when perceived inequality diverges from actual levels of inequality may be a fruitful endeavor to understand the impact of inequality on attitudes and behaviors. And, though it is a slight tangent from the main thrust of this chapter, we believe it is important to note that both objective and perceived inequality may uniquely and interactively impact psychological processes and behavior. That is, rising objective inequality may create societal and structural changes that emerge over time and influence individuals’ attitudes and behaviors in a way that is unique from the influence of perceived inequality (see also Truesdale & Jencks, 2016). In addition, because perceptions of inequality may be malleable, perceived inequality may provide a unique tool for exploring the mechanisms linking inequality to attitudes and behaviors.

Inequality Influences Risk-Taking Behaviors

Previous research has found that high inequality is associated with a wide number of negative behaviors, including robbery, burglary, and gambling (e.g., Freund & Morris, 2006; Kelly, 2000; for a review, see Choe, 2008). Although these behaviors

seem quite different, a unifying theme is that these are risky behaviors. Risky behaviors are ones in which there is a large variance in decision outcomes. Low-risk decisions are ones in which the outcome is almost certain. In contrast, high-risk decisions are ones in which the outcome is uncertain, *and* outcomes can be vastly different from each other. For example, an outcome with a small probability for a large reward *and* a large probability for a loss represents a high-risk decision. Robbery, burglary, and gambling, therefore, all represent high-risk situations—a probability to gain a lot of money, yet a probability of losing a lot of money either directly or indirectly through legal (and other) consequences.

Our data also finds that inequality *causes* more risk-taking behaviors (Payne, Brown-Iannuzzi, & Hannay, 2017). Using a highly controlled experimental approach, participants were asked to play a game and were told that outcomes were either extremely unequal or relatively equal (see Fig. 1 as an example of the inequality manipulation). Then, in the game participants were allowed to determine whether they would prefer a lottery option that was high-risk yet high-reward (a small chance of making a lot of money and a large chance of making nothing) or low-risk yet low-reward (a large chance of making very little and a small chance of making nothing). Across all three experiments, we found the predicted pattern of results—high inequality caused greater preference for high-risk options.

Finally, we sought to extend our findings to a more naturalistic setting by using observational data. Although these data lack causality and experimental control, they may better reflect the risk-taking decisions experienced in everyday life. We investigated whether the frequency of Google search terms associated with monetary risk-taking were higher in more unequal (vs. equal) states. A priori, we came up with a list of terms that reflected high-risk monetary strategies (e.g., “lottery,” “pay day loans,” “win money”). Then, we correlated the frequency with which people

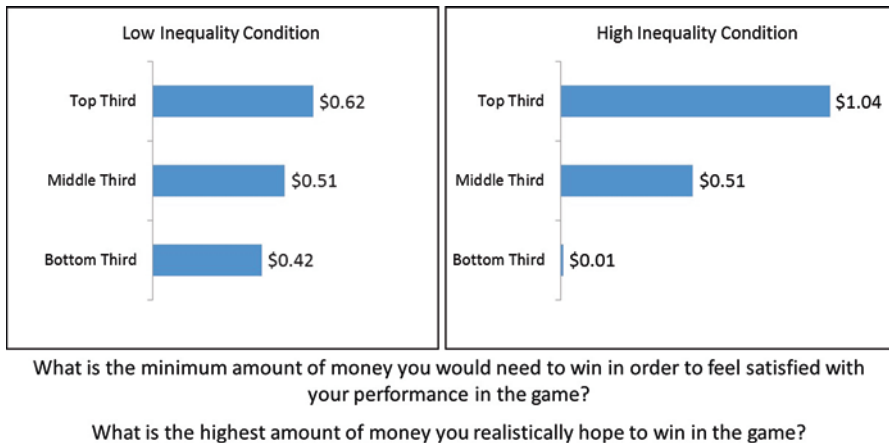


Fig. 1 An example of the inequality manipulation and two questions that assessed perceived monetary need. The top, middle, and bottom third referred to the average outcome among each third of previous players of the game

used these search terms in each state with the state's Gini coefficient. To control for the possibility that people in more unequal states may search for all ways to make money, including low-risk strategies, we came up with a list of terms that reflected low-risk monetary strategies (e.g., "savings," "invest," "retirement account") and used this index as a covariate. The results revealed that the frequency of using monetary risky search terms was higher in more unequal (vs. equal) states. And, inequality was negatively related to the frequency of using monetary low-risk search terms. This suggests that in a real-world context, higher inequality was uniquely associated with high-risk monetary strategies.

Why Does Inequality Influence Risk-Taking Behaviors?

The question remains: why does inequality influence risk-taking behavior?. An important facet of economic inequality is the impact it may have on psychological processes and behavior through a process of social comparison. Comparisons are a way to assess whether two objects are similar or different (Festinger, 1954). Thus, comparisons help organize and clarify our complex world. Social comparisons are important because the comparison target acts as a yardstick to which we measure ourselves and can help shape our subsequent behavior.

There are two main types of social comparisons people can make: upward and downward. Upward social comparisons are comparisons made with those perceived to be superior to the self in a given domain. Downward social comparisons are made with those perceived to be inferior to the self in a given domain. Unsurprisingly, the attitudinal, emotional, and behavioral consequences of upward and downward comparisons are quite different. For example, company employees prompted to compare themselves to higher-ranking coworkers had more negative job satisfaction and less organizational commitment, whereas employees prompted to compare themselves to lower-ranking coworkers showed the opposite effect (Brown, Ferris, Heller, & Keeping, 2007). Relatedly, upward comparisons can lead to feeling envious (e.g., Smith & Kim, 2007; van de Ven, Zeelenberg, & Pieters, 2012), which, in turn, predict things like workplace turnover (Erdil & Muceldili, 2014). Together, these findings suggest that upward and downward comparisons may lead to divergent attitudinal, emotional, and behavioral experiences.

The comparison domain may influence the direction of comparisons people seek out. Although it has been suggested that inequality may lead to more frequent social comparisons (Cheung & Lucas, 2016), there also exists an asymmetry in comparison direction within the domain of financial decisions—people attend to and consider upward social comparisons more than downward social comparisons (Boyce, Brown, & Moore, 2010; Ferrer-i-Carbonell, 2005). This asymmetry of comparisons suggests that high inequality may exacerbate upward comparisons, but not downward comparisons (see also Cheung & Lucas, 2016). Consistent with this premise, previous research has examined the impact of income inequality on purchasing luxury-brand goods (a behavior also known as conspicuous consumption). The

results revealed an increased frequency of Google searches for luxury-brand goods in states with higher versus lower-income inequality (Walasek & Brown, 2015, chapter “Income Inequality and Social Status: The Social Rank and Material Rank Hypotheses”). Furthermore, Schor (1998) has suggested that high-income inequality has led to a culture of upward comparisons. Due to this culture, Schor argues, lower status individuals may preferentially purchase high-status goods in an effort to keep up with their neighbors (see also Christen & Morgan, 2005; Frank, 1985, 2007; Hwang & Lee, 2017; see also Wang, Jetten, & Steffens, chapter “Do People Want More Wealth and Status in Unequal Societies?”). As a result of people’s desire to maintain or improve their status under high inequality, researchers posit that lower-status consumers may resort to accruing debt to maintain or increase their relative position in society (Christen & Morgan, 2005).

In addition to social comparisons, we can also consider the role of risk sensitivity. Risk sensitivity theory contends that need is positively related to risk-taking (Stephens, 1981; for a brief nontechnical review, see Barrett & Fiddick, 1999). Originally, this theory was developed to explain animal foraging behavior. Animals should always seek low-risk food options because they would have a certain amount of caloric returns. Sometimes, however, animals seem to prefer a risky option—foraging for food in a new environment where the amount of calorie intake is unknown—over a low-risk option—foraging for food in the well-known environment where calorie intake is known. In order to explain this seemingly strange animal behavior, researchers hypothesized that animals were not trying to maximize expected utility, but instead were trying to reach a specific caloric goal in order to survive. Thus, if the known food option did not provide enough calories for survival, the animal would take the risky option—traveling to a new environment in order to meet the caloric need to survive.

Humans may also follow these animal instincts. However, “need” is often ambiguous when we consider the wide range of complex decisions humans make. For example, in one experiment “need” was set arbitrarily by telling participants that they should aim to collect a certain number of black balls from a jar of black and white balls (Rode, Cosmides, Hell & Tooby, 1999; Study 4). In one jar, there were more white balls than black balls, the other jar was opaque, so the ratio of black-to-white balls was unknown. Participants were more likely to choose from the opaque jar to meet the arbitrarily set need point. This basic pattern of results has also been replicated in field studies. For example, farmers in India were more likely to invest in fragile cash crops when provided rainfall insurance prior to monsoon season, but when rainfall insurance was not provided or was provided after monsoon season, farmers were more likely to invest in hardy crops that did not yield as much potential profit (Cole, Gine, & Vickery, 2017).

Combining the literature on social comparisons and risk sensitivity, we hypothesized that high inequality would lead to more extreme upward comparisons (Payne, Brown-Iannuzzi, & Hannay, 2017). These extreme upward comparisons, in turn, may make people believe that they need more money in order to be satisfied. Thus, in order to meet this high perceived need, people may be more willing to take risks. To investigate these hypotheses, we measured perceived need in the experimental

games (discussed previously). In particular, we asked: “What is the minimum amount of money you would need to win in order to feel satisfied with your performance in the game?” and “What is the highest amount of money you realistically hope to win in the game?” Consistent with risk sensitivity theory and social comparison theory, participants in the high-inequality condition reported needing more than participants in the low-inequality condition. Further, perceived need mediated the relationship between the level of inequality and preference for high-risk options. Further, individuals who made a lot of upward comparisons, compared with those who made few upward comparisons, took the greatest risk in high-inequality contexts. Together, these experimental data suggest that the context of high inequality led to more extreme upward comparisons and increased perceived need, which resulted in greater risk-taking behaviors.

Further, using observational data, we investigated the role of social comparisons. To do this, we replaced the measure of overall inequality across the whole distribution (the Gini coefficient) with two ratios: the 90/50 ratio and the 50/10 ratio. The 90/50 ratio measures inequality at the top of the distribution; thus, we hypothesized this measure approximated people attending to gains at the top of the distribution (i.e., upward comparisons). In contrast, the 50/10 ratio measures inequality at the bottom of the distribution; thus, we hypothesized that this measure approximated people attending to losses among the bottom of the distribution (i.e., downward comparisons). Therefore, we would expect that the 90/50 ratio would be associated with risky searches because this may reflect people making upward comparisons, whereas we would not expect the 50/10 ratio to be associated with risky searches. Consistent with our reasoning, using the 90/50 ratio, we found that the frequency of risky searches was higher in more unequal (vs. equal) states. However, using the 50/10 ratio, the relationship between risky searches and inequality was nonsignificant. These results suggest that higher inequality, particularly higher inequality at the top of the distribution, is associated with risk taking.

How Do People Understand Economic Inequality?

One question that still looms large is how economic inequality is psychologically understood. The research presented in the previous section involved the manipulation of the level of inequality through graphs. The advantage of this approach is clear: Graphs allow for experimental control and are quite easy for participants to interpret, even for those who have less educational attainment (see discussion raised by Eriksson & Simpson, 2012, 2013; Norton & Ariely, 2013). However, in daily life, are people aware of the level of inequality when graphical information is not present?

We imagine that inequality may be understood through abstract comparisons (e.g., how people perceive the wealthy and the poor to live, or how the wealthy and

the poor are portrayed through the media) as opposed to concrete interactions (e.g., talking with a rich person and a poor person). We make this claim based on the fact that highly unequal contexts may also lead to income segregation (e.g., Truesdale & Jencks, 2016; Wilkinson & Pickett, 2009; see Dawtry et al., chapter “[Social Sampling, Perceptions of Wealth Distribution, and Support for Redistribution](#)”). As a result, meaningful interactions with individuals who represent the range of the income distribution may be less likely to occur in these contexts. This does not mean, however, that social comparisons are devoid in high-inequality contexts. Instead, information about wealth or poverty, the extremity of wealth inequality, and the experiences of the wealthy and the poor may filter through imperfect assumptions and media representations, thus allowing for comparisons without direct interactions.

In the ongoing work, we are investigating whether people may take greater risks in high-inequality contexts because they view these monetary gains as being synonymous with more pleasurable experiences. That is, high inequality may signal that the wealthy are having extravagant and extremely pleasurable experiences. Alternatively, low inequality may signal that the wealthy are having relatively similar experiences to the rest of the community as they have only marginally more money than the rest of the community.

Our initial experimental data lends evidence to this hypothesis. Using a within-subjects design, participants were given information on a trial-by-trial basis regarding the level of inequality in outcomes for that trial. In this line of research, outcomes were pleasurable experiences. On the high inequality trials, participants learned that some people saw extremely pleasant photos (e.g., puppies), some people saw mildly pleasant photos (e.g., a cup), and some people saw extremely unpleasant photos (e.g., snakes). On the low inequality trials, participants learned that most people saw mildly pleasant or unpleasant photos. On each trial, participants were given the opportunity to see photos, but they could determine the type of photo to see by sliding a scale. The sliding scale was anchored by the labels “Mildly pleasant/unpleasant” at one end and “Highly pleasant/unpleasant” at the other end. This was our measure of hedonic risk—would participants risk seeing an extremely unpleasant photo for the chance of seeing an extremely pleasant photo? Consistent with our hypothesis, on more unequal trials, participants preferred the riskier option, sliding the scale further toward the “Highly pleasant/unpleasant” side of the scale, whereas, on more equal trials participants preferred the safer option, sliding the scale further toward the “Mildly pleasant/unpleasant” side of the scale (Hannay, Brown-Iannuzzi & Payne, (2018), in preparation). This suggests that participants were more willing to engage in affective risk when inequality in hedonic outcomes was high, as opposed to low. Because these findings are similar to the risk-taking findings with economic inequality information, it may be that a similar process of upward comparisons is driving both risk-taking effects. That is, unequal outcomes may influence risk-taking for economic rewards or hedonic rewards via an upward social comparison process.

Conclusion

Given the extremely high levels of economic inequality in the United States and around the world, economic inequality is increasingly important to understand. Fields such as sociology, public health, political science, and economics have long histories of documenting the impact of economic inequality and societal outcomes. And, these fields have provided important insights about the relationship between economic inequality and societal outcomes. However, the research thus far provides little understanding of how and why the context of inequality may influence individuals' behavior and in turn produce these societal outcomes.

Until recently, social psychologists have remained relatively silent on the topic of economic inequality. Yet we believe that social psychologists can play an important role in understanding how economic inequality may influence societal outcomes. In particular, psychologists have the unique skill set and training to investigate how macro-level situations influence individual-level processes and can result in societal-level outcomes.

In this chapter, we have attempted to provide a focused review of how economic inequality influences risk-taking behaviors. Using foundational theories in social psychology, such as social comparison theory and risk sensitivity theory, we found that high inequality exacerbated upward comparisons and increased perceived economic need, which in turn resulted in increased risk taking to meet these higher needs. These findings are important because they provide a further understanding of why economic inequality may be associated with high risk and undesirable societal outcomes such as increased gambling, burglary, and robbery. Furthermore, these findings provide potential avenues for interventions.

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Inequality from the Bottom Up: Toward a “Psychological Shift” Model of Decision-Making Under Socioeconomic Threat



Jennifer Sheehy-Skeffington

Although popular accounts of the negative social consequences of inequality (see Wilkinson & Pickett, 2009, 2018) highlight its harmful effect on all members of society, there is no doubt that the greatest sufferers are those at the very bottom. Indeed, as the gap in income between the richest and poorest of a country widens, so do these groups become increasingly distant in terms of a range of important life outcomes. For example, the disparity in life expectancy between people falling into the lowest and highest socioeconomic categories is enhanced in more unequal countries (Wilkinson, 1997), just as the difference in educational outcomes between those same groups continues to grow (Reardon, 2013). Conversely, it is those outcomes which already have a socioeconomic gradient (such as physical health and educational achievement) that are found to be most sensitive to the damaging effects of inequality (Wilkinson & Pickett, 2009). If we want to understand the processes underlying the impact of inequality in any one society, therefore, we need to have a mechanistic account of how individual psychology is shaped by one’s socioeconomic position within that society.

Such an account is made more urgent by the predominance of claims about the supposed abilities and attitudes of low-income groups, found in media, political, and even academic discourse. Public opinion allocates substantial blame for poverty on individual failures (Bullock, Williams, & Limbert, 2003), while there is no shortage of soap operas, reality shows, tabloid newspapers, and political speeches portraying those in receipt of welfare benefits as making little effort to improve their situation (Bullock, Fraser Wyche, & Williams, 2001; MacDonald, Shildrick, & Furlong, 2014; McKendrick et al., 2008; Paris, 2008; see also Augoustinos & Callaghan, chapter “The Language of Social Inequality”; Fiske & Durante, chapter “Mutual Status Stereotypes Maintain Inequality”).

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Meanwhile, scholars from across the social sciences report on decision-making patterns exhibited to a greater extent by those low in socioeconomic status (SES), which are observed to exacerbate their poor socioeconomic position (for reviews, see Bertrand, Mullainathan, & Shafir, 2004; Pepper & Nettle, 2017; Sidanius & Pratto, 1999). It has been reported, for example, that the lower one is in SES, the more likely one is to engage in unhealthy behaviors such as smoking (Pampel, Krueger, & Denney, 2010; Stringhini et al., 2010), even where such behaviors cost money. Those living on very low incomes (compared to those on middle incomes) often spend a greater proportion of their income on luxury goods or servicing high interest loans (Bertrand et al., 2004; see also Brown-Iannuzzi & McKee, chapter “Economic Inequality and Risk-Taking Behaviors”), actions that can act to cement a situation of financial strain or indebtedness. At the same time, the poorest groups in societies such as the United States are said to be less likely to behave in ways that enhance their long-term well-being, such as investing effort in education (Ready, 2010; Walpole, 2003) and taking out insurance or savings accounts (Bertrand et al., 2004). The resulting portrait of those living in relative poverty in rich, unequal countries is of a puzzling tendency to make decisions that further entrench their position at the bottom of society.

In order to narrow the gap in outcomes between the winners and losers of inequality and to understand the behaviors that may contribute to it, we need to take seriously the perspective of those at the bottom of society. This chapter does so by considering the specific ways in which the experience of life on a low income shapes one’s decision-making processes, focusing on three different aspects of the socioecological context of poverty. As summarized in Fig. 1, the “psychological shift” model of decision-making under socioeconomic threat (see also Sheehy-Skeffington,

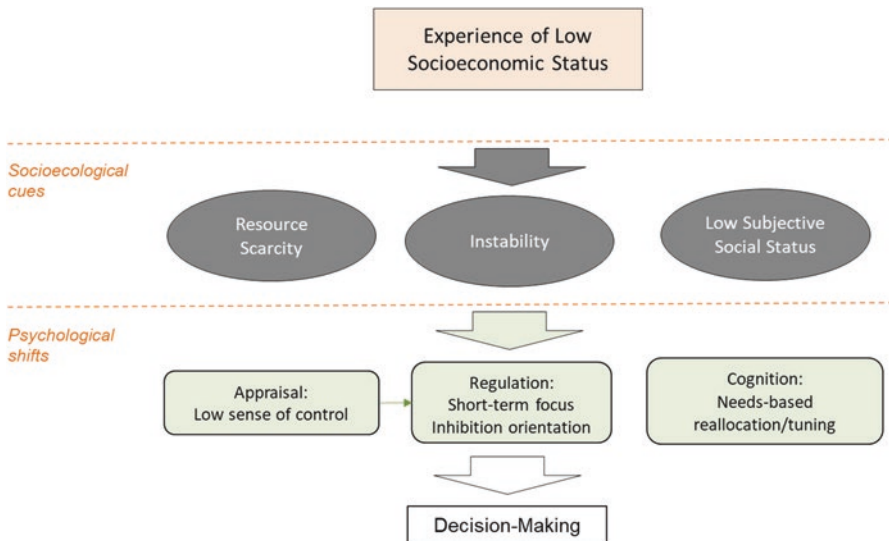


Fig. 1 Outline of the “psychological shift” model of decision-making under socioeconomic threat

2018; Sheehy-Skeffington et al., 2019; Sheehy-Skeffington & Haushofer, 2014) outlines how psychological processes respond to environmental cues triggered by the experience of resource scarcity, instability, and low subjective social status. Used as an organizing framework for findings from multiple disciplines on the link between low socioeconomic status (SES) and decision-making, this model enables behaviors claimed to be suboptimal to be seen as not only understandable, but adaptive in socioecological context (Sheehy-Skeffington, 2018; Sheehy-Skeffington et al., 2019; Sheehy-Skeffington & Rea, 2017). It thus sheds light on one of the more subtle mechanisms through which widening income disparities might harm the well-being of those at the bottom of society, showing how they shape life outcomes not only directly, but also indirectly, through decisions which may end up entrenching inequality even further.

The Psychological Impact of Resource Scarcity

Following the financial crisis of 2007–2008, austerity-driven cuts in public support and unevenness in economic recovery have ensured absolute poverty persists as a core characteristic of economic inequality in the industrialized world (see, e.g., Barnard, 2018). Thus, the first challenge of being at the bottom of a highly unequal society is likely that of making basic ends meet. As one needs money for everything, from putting food on the table to traveling to work and socializing with friends, having little money means having few options for what one can and cannot do.

As first highlighted by researchers in public health, a key psychological consequence of being constrained in what one can do is low sense of control: a form of appraisal that one is unable to influence one’s life outcomes (Lachman & Weaver, 1998; Seeman, 2008). Sense of personal control, often talked about as generalized self-efficacy (Bandura, 1977, 1997), is an important predictor of positive health behaviors, leading public health researchers to posit it as a key psychosocial mediator of the impact of low socioeconomic status (SES) on health outcomes (Adler & Rehkopf, 2008; Seeman, 2008).

But there is more to perceived control than self-efficacy. In order to appreciate how deeply the material context shapes decision-making processes, we need to consider not only whether one can carry out a desired behavior but also whether one’s behavior will be effective in achieving a desired life outcome. The latter appraisal has been referred to as response efficacy or outcome expectations (see Skinner, 1996), and is linked to locus of control (Rotter, 1966). If one attends a school with very poor teaching and no science facilities, no amount of self-efficacy in terms of sitting down to study will enable one to qualify to study medicine, as one’s educational outcome is not determined primarily by one’s education-related behaviors. Indeed, there is evidence that perceiving one has more control than one actually does, that is, overestimating one’s response efficacy, can have negative health and performance consequences (Thompson, Cheek, & Grahma, 1988; see also Pittman & Pittman, 1979). Thus, the relatively low sense of control reported by those low in SES may be understood as a rational reappraisal of one’s ability to effect life

changes in response to real constraints. To the extent that rising economic inequality makes the life outcomes of the most successful in society seem ever further out of reach, it will exacerbate this low sense of control among those struggling to make ends meet on a daily basis.

The influence of resource scarcity on these kinds of control appraisals has knock-on consequences for processes of self-regulation. Experiments have demonstrated that exposure to cues of resource scarcity or related stress apparently diminishes self-regulation, by increasing the extent to which one will value an immediate over a delayed reward (Haushofer & Fehr, 2014; Liu, Feng, Suo, Lee, & Li, 2012). Linking this form of present bias with sense of control, Gillian Pepper and Daniel Nettle (see Pepper & Nettle, 2014a, 2017) highlight the fact that living in deprived contexts often means being exposed to greater risk of early death from environmental forces such as violence, hard manual labor, and toxins. According to this account, deprivation cues high extrinsic mortality risk—the likelihood that one will die for reasons outside of one’s control (see also Nettle, 2010a; Pepper & Nettle, 2014b)—thus, highly impoverished response efficacy. This reduces the payoff available from investing energy in long-term outcomes, thus making it more adaptive to focus this limited energy on the short term (see Nettle, 2010b). This shift in energy investment is core to understanding what Pepper and Nettle call the “behavioural constellation of deprivation”—that set of behaviors associated with low socioeconomic groups which seem to harm their long-term outcomes—casting them as responses to ecological cues, which are adaptive in an ultimate sense (Pepper & Nettle, 2017). In social psychological terms, what might appear as irrationally myopic decisions, driven by enduring traits such as inability to delay gratification (Mischel, 1974, 2014; Mischel, Shoda, & Rodriguez, 1989) or discounting of future rewards (Kirby & Marakovic, 1996) are in fact the product of a rational regulatory shift from the long to the short term (see Fujita, 2011), in response to the reality of the experience of poverty. As suggested in Fig. 1, socioeconomic disparities in personal control and long-term focus would thus not be deficiencies of low SES groups, but a case of a reappraisal of the actual impact of behavior on life outcomes, and temporal adjustment of priorities as a result.

Whereas sense of control and short-term focus relate to the domains of self-appraisal and self-regulation, respectively, the third set of decision-making mechanisms influenced by resource scarcity sit in the cognitive domain. In the field of behavioral economics, Sendhil Mullainathan, Eldar Shafir, and collaborators have charted how being short on money is similar to being short on time or any other kind of resource: it is a situation of scarcity, which has a predictable cognitive impact on anyone experiencing it. First, scarcity leads the mind to “tunnel” on the resource in question, such that a hungry person finds it hard to get food out of mind (Keys, Brožek, Henschel, Mickelsen, & Taylor, 1950), just as a poor person finds it hard to keep money out of mind (Shah, Zhao, Mullainathan, & Shafir, 2018). Second, such a narrowing of focus is said to take up limited “mental bandwidth,” leaving one too cognitively overloaded to focus on other important aspects of decision-making, and on the downstream consequences of one’s decisions (Mullainathan & Shafir, 2013). Studies in this research stream have shown how middle-income participants, when

given temporary exposure to the experience of resource scarcity in an online game, behave in similar ways to those actually experiencing poverty, borrowing resources from future rounds to the detriment of later game outcomes (Shah, Mullainathan, & Shafir, 2012). The claim is that here, short-termism is caused not by regulatory adjustment, but by mental disruption—disruption which prevents one from engaging the core cognitive processes of executive functioning, and even leads one to perform worse in intelligence tests than when one is not preoccupied with financial concerns (Mani, Mullainathan, Shafir, & Zhao, 2013).

Such behavioral economics research contributes to a picture of seemingly suboptimal behaviors as the product of the damaging cognitive impact of resource scarcity and the pressures that brings. What is less fully articulated from this perspective is how such responses might not only be understandable, but optimal and rational, when considered in context, just as shifts in personal control and self-regulation are adaptive responses to difficult ecological conditions. Rather than assume the impact of resource scarcity is a case of cognitive disruption, one could look at the specific nature of cognitive processing under conditions of scarcity to see whether it, too, might involve an adaptive shifting of focus (Sheehy-Skeffington & Rea, 2017; see also Frankenhuys & de Weerth, 2013). With Michael Price, Nicholas Pound and Isabel Scott, I have started looking at this in the case of food scarcity (Sheehy-Skeffington, Price, Scott, & Pound, 2019). We administered cognitive tests to participants who had been fasting for 12 hours, half of whom were randomly assigned to eat breakfast (the other half remaining hungry). Preliminary results using this experimental design suggest that the established finding of a damaging effect of hunger on cognitive performance goes away, and possibly flips in direction, when participants are engaged in cognitive tasks involving food stimuli. This implies that cognitive resources have not been disrupted or depleted by the experience of resource scarcity, but have shifted in focus toward addressing the pressing need (see also Kurzban, Duckworth, Kable, & Myers, 2013). They thus contribute to the emerging picture of the experience of low socioeconomic status inducing a “psychological shift” in response to socioecological cues.

The Psychological Impact of Instability

Living in poverty is more than just living in need. Invariably, it also involves living in an *unstable* situation, in which there are frequent changes in circumstances such as one’s earnings, whether one will have enough food for one’s family, and perhaps even where one sleeps. Instability is recognized as a key component of life in low-income contexts (Gad & Johnson, 1980; Evans, 2004), and its importance is enhanced in more unequal societies, where the lowest-paid jobs are increasingly precarious in terms of guaranteed hours and income (Standing, 2011). The question then arises as to whether the instability brought about by relative poverty leads to the same pattern of shifts in the three psychological processes outlined above as does scarcity. Certainly, we know from classic studies on control deprivation (e.g.,

Pittman & Pittman, 1979) that being unable to predict the impact of one's actions in a game triggers a low sense of control. Economists have recently shown how economic instability, defined as unavoidable downside risks such as a sudden loss of income, can lead to increases in obesity in affected families, controlling for overall income (Kong, Osberg, & Zhou, 2018; Rohde, Tang, Osberg, & Rao, 2017; Watson, Osberg, & Phipps, 2016; see also Claassen, Corneille & Klein, chapter "The Psychological Consequences of Inequality for Food Intake"). Given the central role of control in enabling healthy behaviors (Davis et al., 2007; Fisher et al., 2011), it is possible that the impact of this form of financial instability on health outcomes is mediated by shifts in psychological processes affecting decision-making. That is, the experience, or anticipation, of an unpredictable loss of income may decrease one's sense of control, and with it, one's long-term focus, and this psychological shift may be what drives up unhealthy eating behaviors.

Moving from control appraisal to self-regulation, an emerging strand of evolutionary developmental research looking at the impact of adverse conditions in childhood on later life decision-making gives a prominent role to instability as an ecological cue. Researchers in this tradition adopt the biological perspective of the life history theory, which posits that humans, as with other animals, draw on cues concerning the difficulty of their environmental conditions while they are very young (used as a predictor for conditions later), in developing cognitive and regulatory strategies (Ellis, Figueredo, Brumbach, & Schlomer, 2009; Roff, 1992; Stearns, 1992). Studies in this vein have shown how those who grow up in environments that are harsh and unpredictable are more likely, when presented with an experimental treatment that increases their current sense of economic threat (assumed to mimic this childhood environment), to behave more impulsively (Griskevicius et al., 2013; though see Pepper et al., 2017). This shift in focus is the central feature of adopting a "fast" life history strategy—a behavioral repertoire claimed to be seen across animal species, in which organisms invest their limited energy in achieving early gains to inclusive fitness, usually through having many offspring when young, as opposed to investing more in fewer offspring over a longer lifespan. Present-biased behaviors in adulthood, seen from this perspective, are not failures of an innate ability to resist impulses, but signatures of an overall regulatory shift toward the present that is an adaptive response to extreme ecological conditions.

Insights on the regulatory impact of exposure to unpredictability when young are in line with emerging studies of unpredictability experienced in adulthood. This work has again challenged a purely trait-based notion of willpower, as inferred from the classic studies of Walter Mischel, in which academic and other outcomes are predicted by whether a person, when young, could resist the impulse of eating one marshmallow in order to receive the reward of a second marshmallow at an unspecified later time (see Mischel, 1974, 2014). Celeste Kidd and collaborators (Kidd, Palmeri, & Aslin, 2013) created a variation of the marshmallow task in which children were assigned, first, to learn that the environment they were in was either stable (and thus, reliable) or unstable (and thus, unreliable). Those in the reliable condition waited almost four times as long, on average, as those in the unreliable condition, without eating the tempting marshmallow (Kidd et al., 2013). This result implies

that a perceived failure of impulse control, as observed in lower-income children from Mischel’s studies, might in fact be the product of an implicit decision to prioritize a short-term over long-term reward (see also Fujita, 2011), in a manner that is rationally responsive to the instability, and thus unpredictability, of the surrounding context (see also Daly & Wilson, 2005; Pepper & Nettle, 2017; Wilson & Daly, 2004).

In the case of cognitive functioning, the impact of early life instability is also moving toward recognition of the adaptiveness of the behavioral responses exhibited by those from deprived contexts. Bruce Ellis, Willem Frankenhuis, and others (Ellis, Bianchi, Griskevicius, & Frankenhuis, 2017; see also Frankenhuis & De Weerth, 2013; Frankenhuis, Panchanathan, & Nettle, 2016) have put forward a model of resilience based on life history theory principles, which focuses on the cognitive strengths exhibited by those who have grown up in adverse contexts, the latter defined as involving hardship and unpredictability. Complementing the established body of work on the damaging cognitive impact of childhood deprivation (Bradley & Corwyn, 2002; Conger & Donnellan, 2007; Duncan, Magnuson, Kalil, & Ziol-Guest, 2012), this work explores its adaptive impact. It begins by considering which cognitive skills are most needed in situations of harshness or unpredictability, and thus might be stronger among those who have grown up in such situations, than in those from less stressful backgrounds (see Ellis et al., 2017). In the case of those growing up in instability, one set of studies found that people with such a background (as compared to those with no exposure to childhood instability) who were presented with information regarding economic uncertainty exhibited worse performance on measures of the executive function of inhibitory control (related to impulsivity, and thus in line with the above findings), but *better* performance on measures of cognitive flexibility (specifically, shifting—see Mittal, Griskevicius, Simpson, Sung, & Young, 2015; see also Vandenbroucke et al., 2015). Another set of studies looked at different facets of working memory, finding that those who grew up in unpredictable environments, when primed with uncertainty, had worse working memory capacity and retrieval, but *better* working memory updating, compared to those who grew up in predictable environments (Young, Griskevicius, Simpson, Waters, & Mittal, 2018).

In sum, there is evidence to support the claim that the instability that is increasingly a feature of life at the bottom of unequal societies, and the resultant unpredictability of life circumstances, influences psychological processes in a similar manner to resource scarcity. Experiencing unpredictable change, whether in income, employment, working hours, living conditions, school, or relationships, especially in a critical period of youth, seems to lead to the development of regulatory and cognitive strategies which can be triggered by situations of uncertainty later in life, and are possibly well adapted to such situations, even if they have damaging long-term outcomes. Though not studied directly, these shifts are likely mediated by an implicit or explicit sense that an unpredictable world is one over which one has little control, and thus which requires a different set of psychological responses than would a world full of people and events on which one can reliably depend.

The Psychological Impact of Low Subjective Social Status

Looking at the psychological impact of scarcity and instability goes some way to situating the observation of suboptimal behaviors associated with low-income groups in the wider context of material needs and ecological constraints (see also Üskül & Oishi, 2018). The truly *social* nature of this wider context becomes clear, however, in the case of my proposed third key component of the psychological situation of poverty: that of low subjective social status (see Sheehy-Skeffington & Haushofer, 2014; Sheehy-Skeffington, 2016, 2018; Sheehy-Skeffington et al., 2019). In a rich society, poverty is not just having little, but having less than others, and the more unequal the society, the more salient relative comparisons become (Cheung & Lucas, 2016). To the extent that being poor means feeling low in a society's hierarchy, the salience of *feeling* poor will increase as the hierarchy becomes ever more steep (see also Wilkinson & Pickett, 2009).

An analysis of socioeconomic status in terms of relative standing is a central perspective in the cultural psychology of social class. In this strand of research, Michael Kraus and collaborators (Kraus, Piff, & Keltner, 2011; Kraus, Tan, & Tannenbaum, 2013) have characterized the experience of low social class in terms of the perception that one is relatively low on the "ladder of society" (see Adler, Epel, Castellazzo, & Ickovics, 2000; Goodman et al., 2001). Given the centrality of perceptions of social rank in human and primate evolutionary history (Cummins, 2005; Sapolsky, 2004), it is no surprise that humans are very sensitive to where they sit in social hierarchies, and adjust their perceptual, regulatory, and cognitive processes as a result (Anderson, Hildreth, & Howland, 2015; Keltner, Gruenfeld, & Anderson, 2003; see also Scheepers & Ellemers, chapter "[Status Stress: Explaining Defensiveness to the Resolution of Social Inequality in Members of Dominant Groups](#)"). The question then turns to whether the decision-making processes associated with life in low-income contexts can be understood in part as responsive, and perhaps even adaptive, to the context of low subjective social status.

The answer is straightforward when it comes to sense of control. Consistent with the fact that being low in any hierarchy is synonymous to having little relative power (Magee & Galinsky, 2008), being low in the socioeconomic hierarchy is reliably linked to self-reporting low levels of power and control over one's life outcomes (Bobak, Pikhart, Rose, Hertzman, & Marmot, 2000; Keltner et al., 2003; Piff, Kraus, Côté, Cheng, & Keltner, 2010). Indeed, this feeling of low relative power is critically adaptive for any animal who finds him or herself at the bottom of a dominance hierarchy, in that it enables the avoidance of costly fights (e.g., Dawkins, 1976). Against the possibility that the link between SES and sense of control is due solely to low self-efficacy (or related traits) limiting socioeconomic achievement, experiments have demonstrated that exposure to perceptions that one is relatively low in SES (regardless of one's actual income) decreases sense of control, an effect that is mediated by lower self-reported power and dominance (Sheehy-Skeffington & Sidanius, 2015).

Moving from appraisal to regulatory processes, the literature on the psychology of social power leads us to expect that the lower perceived rank that comes with the salience of relative poverty should decrease approach orientation and increase inhibition orientation, thereby making one more focused on threats and neglectful of rewards and goals (see Keltner et al., 2003). Indeed, a systematic review of recent studies on poverty and decision-making processes revealed a positive association between socioeconomic status and the adoption of a mindset conducive to long-term goal completion, as measured through aspirations and motivation to achieve in a number of domains (Sheehy-Skeffington & Rea, 2017). When it comes to the privileging of short-term over long-term goals, to the extent that this is a rational response to low control (see above), it should become more likely as low relative income is made salient. Though the link between subjective socioeconomic status and present bias has not been tested directly, there is some evidence that feeling low in a social hierarchy increases discounting of the future (Joshi & Fast, 2013; though see Zhang & Smith, 2018).

Turning to the cognitive domain, I have recently used an experimental approach to explore the relationship between low subjective socioeconomic status and executive functioning. Inspired by separate observations of the negative cognitive impact of resource scarcity (Mani et al., 2013) and low sense of power (Smith, Jostmann, Galinsky, & Van Dijk, 2008), I set out to test whether the perception of low relative socioeconomic status could disrupt executive functioning. In three studies run with diverse samples, Jim Sidanius and I found that it did: those randomly assigned to believe that they were relatively low on the societal socioeconomic ladder performed worse than those believing they were relatively high in SES on measures of inhibitory control, planning, and updating. A fourth study implied this impaired cognitive functioning damaged performance in a financial decision-making task (Sheehy-Skeffington & Sidanius, 2014).

More recent work digs deeper, asking whether this is indeed a case of cognitive deficit, or, rather, as implied by the current model, sign of a shift in cognitive resources toward addressing a pressing need. Michael Price and I designed a study in which we varied perceptions of relative socioeconomic standing, and also the perceived relevance of the cognitive tasks that followed, the latter by presenting information on the real-world correlates of executive functioning performance. Results suggest that as long as cognitive tasks are presented in standard, status-irrelevant ways (i.e., by linking executive functioning and prefrontal brain activity), they elicit worse performance from those feeling relatively socioeconomically deprived, as I had previously found. Once the cognitive task is presented as relevant to potential status gains (by linking executive functioning and later socioeconomic achievement), however, this performance difference across the subjective SES conditions seems to go away, and may even flip in the opposite direction (Sheehy-Skeffington, Sidanius, & Price, 2016). As with the above work on the cognitive impact of resource scarcity (Sheehy-Skeffington et al. 2019), this set of findings implies that threats associated with low SES, in this case concerning status, lead to a shift in focus of cognitive processes, as opposed to a form of mental “shut down” induced by cognitive load.

Research taking this more nuanced perspective on the psychological impact of low subjective social status can also shed light on more general observations of seemingly suboptimal behaviors associated with those living in or near poverty, such as spending a significant proportion of one's income on cigarettes, illegal activities (such as drug-taking or knife-carrying), or conspicuous consumption (Agnew, Matthews, Bucher, Welcher, & Keyes, 2008; Banerjee & Duflo, 2007; Sidanius & Pratto, 1999). Rather than dismiss such behavioral patterns as the product of either deficient decision-making abilities, or even contextually disrupted decision-making processes, they might be understood as resulting from a shift in psychological focus toward addressing a threat arising from the socioecological context—in this case, a threat to social status. To the extent that inequality increases the association between poverty and low subjective status, spending to serve status goals in local contexts is an ecologically rational decision, regardless of its damaging long-term consequences. Social and consumer psychology research has shown that consumption and display of status goods increases as low status is made salient, supportive of this rational compensatory account (Carr & Vignoles, 2011; Rucker & Galinsky, 2008, 2009; Sivanathan & Pettit, 2010; Walasek & Brown, chapter “Income Inequality and Social Status: The Social Rank and Material Rank Hypotheses”; though see Karlsson, Gärling, Dellgran, & Klingander, 2005; Zhao, Jin, Song, Cui, & Ding, 2018).

Summary and Outstanding Questions: Socioeconomic Threat as a Trigger of Psychological Shifts

Returning to Fig. 1, the model presented here proposes the three most psychologically salient aspects of being poor in a rich, unequal country and the ways in which they may trigger shifts in psychological processes in three key domains. This framework (see also Sheehy-Skeffington & Haushofer, 2014; Sheehy-Skeffington, 2018; Sheehy-Skeffington et al., 2019; Sheehy-Skeffington & Rea, 2017) attempts to take the perspective of those experiencing poverty in both an absolute and a relative sense, by considering the ways environmental constraints change one's decision-making context. I suggest they do so by creating a psychological situation involving the salience of (1) the scarcity of much-needed resources, (2) the instability of resource supply and consequent unpredictability of life circumstances, and (3) the position of being very low in the status hierarchy of one's society. These contextual cues are socioecological in nature (see Üskül & Oishi, 2018), and are experienced as a set of threats that need to be immediately addressed. I argue that they trigger a shift in psychological processes to address these threats, in a way that optimizes the use of limited energy reserves in the moment, and, possibly, across the lifespan. First, one's appraisal of the extent to which one can control one's life outcomes is lowered. Second, and linked to this diminished sense of control, one's regulatory focus shifts from long-term to short-term goals, and from rewards to threats. Third,

one’s cognitive resources become focused on processes (such as shifting), tasks (such as those linked to potential status gains), and stimuli (such as money and food) that address pressing needs.

These shifts in psychological processes go at least some way toward explaining what at first seem to be damaging decision-making patterns associated with those living at the bottom of unequal societies. By understanding their mechanistic underpinnings and proximal goals, we can appreciate the functional and adaptive nature of many of these decisions. The result will be an understanding of decision-making under socioeconomic threat which does justice to the resilience and resourcefulness of those in or close to poverty. Such an understanding is needed now more than ever, as a growing economic distance between the social classes brings with it a growing psychological distance. Indeed, the association between increases in income inequality and decreases in societal solidarity (Paskov & Dewilde, 2012) may in part be due to the way in which inequality creates a divergence in experiences and behaviors across the socioeconomic gradient. Bridging this socioeconomic empathy gap may thus help engender support for interventions at multiple levels (Sheehy-Skeffington & Rea, 2017; see also Ellis et al., 2017). Such interventions might include increasing the actual control people have over their life outcomes, strengthening the social safety net in a way that increases the predictability of life at the bottom of society, and making academic tasks more relevant to the threats faced by students from relatively deprived neighborhoods. More broadly, this approach adds further weight to calls to reduce both poverty and inequality, and to consider each in light of the other.

There are a number of questions which need to be addressed in developing this into a comprehensive account of decision-making under socioeconomic threat. One concerns the relative importance of the three components of the psychological situation of poverty, and how this might change over ontogenetic and historical time. Life history theory leads us to expect that cues of scarcity and instability have the greatest impact on regulatory strategies when experienced at birth and early childhood (Ellis et al., 2009), while developmental psychology research highlights the importance of status concerns in adolescence and early adulthood (Brown & Lohr, 1987; Goodman et al., 2001). The importance of scarcity, at least in terms of basics such as food and shelter, likely decreases as a country’s level of economic development increases (Ravallion, 2001), though one would expect important cross-nation differences in this relationship depending on the strength of social protections for those at the bottom of society—the safety net which we know is endangered by increasing inequality (Paskov & Dewilde, 2012). Such social protections, when they take the form of a guaranteed income, housing, or healthcare, likely reduce the salience of instability among low-income populations, but compete against a trend toward casualization in low-paid work (Standing, 2011), entailing unpredictable incomes, which will increase instability for those at the bottom.

When it comes to status concerns, there is reason to believe that the salience of relative socioeconomic standing varies with over-time and cross-national differences in economic inequality, the central theme of this volume (see Cheung & Lucas, 2016). In building up an empirical case for the impact of inequality on

status-related concerns (see Wilkinson & Pickett, 2017, 2018), it will be important to demonstrate changes not only across countries, but over time, including checking whether decreases in inequality are followed by a reduction in status anxiety (see Vilhjalmsdottir, De Clercq, Gardarsdottir, Bernburg, & Sigfusdottir, 2019). It is also critical to clarify the level at which inequality is proposed to have its greatest impact, which, when focusing on status anxiety as a mediating mechanism, should depend on the most salient reference group for socioeconomic comparisons. Wilkinson and Pickett (2009) claim state- or nation-level inequality are more socially corrosive than inequality at the neighborhood-level, while at the same time drawing on theories of evolved sensitivity to status hierarchies (e.g., Sapolsky, 2004) that are rooted in local comparisons. Research on income, inequality, and subjective well-being seems to lean toward the importance of the local level of comparison (Anderson, Kraus, Galinsky, & Keltner, 2012; Kudrna, 2018; Senik, 2009; Sheehy-Skeffington, Kteily, & Hauser, 2016). However, associations between income and satisfaction have been observed when comparisons are made at multiple levels, including with the previous generation in one's family (Dolan & Lordan, 2013; Hadjar & Samuel, 2015), one's neighbors (Luttmer, 2005), one's colleagues (Anderson et al., 2012; Card, Mas, Moretti, & Saez, 2012; Clark & Senik, 2010), one's occupational group (Bygren, 2004; Dornstein, 1988), one's peers (Anderson et al., 2012; Callan, Kim, & Matthews, 2015; Kudrna, 2018; Pérez-Asenjo, 2011), and society at large (Kudrna, 2018; Sheehy-Skeffington et al., 2016).

Another unresolved issue concerns the interrelationships between the appraisal, regulatory, and cognitive processes proposed to shift in response to the psychological situation of poverty. The above model includes an arrow to represent the influence of control appraisals on self-regulation but it is possible that cognitive processes are also affecting, and/or affected by appraisal and regulatory processes. One intriguing possibility is that the psychological shifts are part of a more global alteration in information-processing style, such as construal level—the extent to which one is processing information abstractly (focusing, e.g., on *why* certain behaviors are being performed) or concretely (focusing on *how* behaviors are performed; see Vallacher & Wegner, 1987). According to construal level theory, one engages in concrete (or low construal) information processing when focused on stimuli that are proximal on four correlated dimensions of psychological distance: the temporal, the spatial, the social, and the existential (Trope & Liberman, 2010). Sheehy-Skeffington and Haushofer (2014; see also Sheehy-Skeffington et al., 2019) bring this social psychology theory to the study of poverty and decision-making, suggesting the possibility that poverty might lead to a lowering of construal level and a resultant constriction of focus toward the “here and now.” Integrating this idea into the above model would imply that resource scarcity, instability, and low social status trigger a shift in focus not only toward the present (and away from the future) but also toward the local (and away from the distant), toward those socially close (and away from those socially distant), and toward the actual (and away from the hypothetical). In their review of recent evidence on poverty and decision-making processes, Sheehy-Skeffington and Rea (2017) found the notion of shifts in psychological distance to account well for the impact of poverty not only on cognition and self-regulation but

also on social interaction. The framework of construal level and psychological distance offers a unifying language with which to articulate the functionality of behaviors in a proximal sense, alongside their possibly harmful distal impact (Sheehy-Skeffington & Rea, 2017). Studies in my lab are currently testing the proposed link between low SES and psychological distance directly to assess the viability of this claim (see, e.g., Sheehy-Skeffington, Price, Havmose, Scott, & Pound, 2017).

Finally, although a consideration of subjective status goes some way toward highlighting the role of social psychological processes in mediating the experience of poverty, there is more to be done to situate poverty in its wider societal context. For example, the importance of nation-level inequality for decision-making and life outcomes entails consideration of how low socioeconomic status is experienced not as an interpersonal but as an intergroup phenomenon (see Croizet & Claire, 1998; Easterbrook, Hadden, & Nieuwenhuis, chapter “[Identities-in-Context: How Social Class Shapes Inequalities in Education](#)”; Manstead, 2018). Developing a more nuanced understanding of the underlying mechanisms of behavior in unequal contexts should also proceed alongside consideration of how individual psychological processes are colored by cultural understandings of the self, which vary with social class as well as across countries (see Stephens & Townsend, 2013).

Conclusion

Concerns about economic inequality are often pitched in opposition to concerns about poverty. Social commentators (e.g., Bourne & Snowden, 2016; see Bucelli, 2017) have argued that instead of trying to regulate the spread of income or wealth across the socioeconomic spectrum, we should instead be worried only about helping those at the bottom. From a social psychological perspective, however, one cannot understand poverty without considering it in the context of inequality. Supported by an overview of emerging research on the psychological consequences of low socioeconomic status, this chapter has proposed a framework for understanding decision-making in contexts of relative poverty in terms of rational psychological responses to socioecological cues. To the extent that inequality exacerbates the salience of such cues, it will increase the incidence of decisions which may make sense in the context of poverty but are ill-fitted for a society increasingly alienated from its own poor. Just as efforts to tackle poverty cannot omit the impact of inequality, so efforts to reduce inequality must come hand-in-hand with an understanding of the perspectives of those suffering its worst consequences.

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Part IV
Why Does Inequality Have These Negative
Outcomes?

Income Inequality and Social Status: The Social Rank and Material Rank Hypotheses



Lukasz Walasek and Gordon D. A. Brown

The substantial rise in income inequality in developed English-speaking countries over the last four decades has been accompanied by increased political polarization (especially in the USA: McCarty, Poole, & Rosenthal, 2006), adverse economic consequences (Lansley, 2011; Pontusson, 2005; Stiglitz, 2012), and a wide range of negative social and health-related outcomes (Wilkinson & Pickett, 2009). Although most initial observations were based on cross-sectional data, there is mounting evidence that the relationship between inequality and reduced well-being in society is a causal one (Pickett & Wilkinson, 2015; Wilkinson & Pickett, 2018; Zheng, 2012). While social science and epidemiology have led the way in identifying associations between income inequality and various indices of societal ill-being, current accounts of the individual-level psychological mechanisms that might give rise to such effects are, we argue here, not well specified. In particular, we argue that one currently dominant framework, the “status anxiety” hypothesis, is limited in a number of respects. In this chapter, we identify these limitations and explore some possible lines along which progress might be made.

This chapter is structured as follows. First, we outline the key features of the status anxiety hypothesis. We then evaluate the explanatory adequacy of the status anxiety hypothesis, identifying limitations surrounding (a) the lack of a specific definition of status that distinguishes concerns with status in general from concern with materialistic status, (b) the fact that despite its well-documented adverse consequences inequality seems to have little or no effect, at least in well-developed economies, on people’s self-reported subjective well-being such as their satisfaction with their lives, and (c) the inability of the status anxiety hypothesis to explain *why* inequality influences people’s concern with status. We argue that in order to address these limitations it is necessary to specify the precise cognitive individual-level processes that underpin the causal relationship between inequality and social outcomes,

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and we argue that valuable insights can come from independently developed models in the judgment and decision-making literature. More specifically, we argue that rank-based cognitive models of how context affects people's judgments and choices can be used to help us understand how people's behavior and subjective well-being are influenced by the socioeconomic context in which they live.

The Status Anxiety Hypothesis

According to the status anxiety hypothesis, inequality increases the attention people pay to social comparison and social status (see, e.g., Buttrick, Heintzelman, & Oishi, 2017; Buttrick & Oishi, 2017; Wilkinson & Pickett, 2018). The main premises of the status anxiety hypothesis are that large disparities in income lead people to become more concerned with social hierarchies and their position within them, and that this concern has direct consequences for people's everyday behavior.

It is well established that people care greatly about their status (Anderson, Hildreth, & Howland, 2015). High social standing confers evolutionary advantage, and is one of the key determinants of mate preferences in both human and nonhuman animals (Sapolsky, 2004). It is therefore not surprising that humans are sensitive to situations that may threaten their position in the social hierarchy (Blake & Brooke, chapter "Income Inequality and Reproductive Competition: Implications for Consumption, Status-Seeking, and Women's Self-Sexualization"; Scheepers & Ellemers, chapter "Status Stress: Explaining Defensiveness to the Resolution of Social Inequality in Members of Dominant Groups"). Indeed, humans are equipped with defense mechanisms for preventing and dealing with situations where their status is challenged. For example, the near-universal tendency for people to overstate their abilities, skills, and talents may reflect their need to improve their apparent social standing as well as to feel better about themselves (Dufner, Gebauer, Sedikides, & Denissen, 2018).

The status anxiety hypothesis assumes that the universal drive for status may explain the negative consequences of income inequality. The key assumption is that inequality elevates concern with status, such that people who live in unequal regions care more about their position in the hierarchy than people who reside in more equal regions. Caring more about status in this way is assumed to have negative psychological consequences. For example, status anxiety has been implicated in the emergence of many physical and mental health problems (Marmot, 2015; Wilkinson & Pickett, 2009, 2018). More specifically, it is assumed that those who occupy lower levels on a social ladder somehow experience a diminished sense of control and elevated feelings of being excluded. Depression and withdrawal symptoms may be an adaptive response to low social rank in both human and nonhuman animals (Gilbert & Allan, 1998; Taylor, Gooding, Wood, & Tarrrier, 2011), and neuropharmacological correlates of stress have been widely studied with, for example, reductions in blood serotonin levels evident in monkeys of low social rank (Raleigh, McGuire, Brammer, & Yuwiler, 1984). Inequality-induced envy might play an

additional role—high levels of envy are associated with reduced well-being (Mujcic & Oswald, 2018). Taken together, there appear to be links between anxiety, status, and psychological well-being, with the negative effects of status concern affecting people at all income levels.

A prediction of the status anxiety hypothesis is that people who live in regions with higher income inequality will engage in more status-seeking behavior (Wang, Jetten & Steffens, chapter “[Do People Want More Wealth and Status in Unequal Societies?](#)”). There are many ways in which people may pursue social status, and a number of behavioral correlates of inequality have been interpreted as evidence for status anxiety hypothesis. For example, experimental work shows that unequal distribution of rewards encourages participants to take more risks (i.e., choose alternatives with higher outcomes but smaller probabilities) (Mishra, Hing, & Lalumière, 2015; Payne, Brown-Iannuzzi, & Hannay, 2017; Brown-Iannuzzi & McKee, chapter “[Economic Inequality and Risk-Taking Behaviors](#)”). If people pay more attention to upward comparisons, then higher variance in outcomes (higher inequality) may encourage more attention to wealth and reduce people’s perception of their own status on that dimension. Consequently, in order to improve their status, people may be more willing to take risks.

Limitations of the Status Anxiety Hypothesis

We begin our criticism of status anxiety hypothesis by noting the lack of a clear definition of how status is represented psychologically by individuals. If we are to construct a complete person-level process model of the causal relations between inequality, status, and anxiety, it will be necessary to have a precise, quantitative and psychologically realistic conceptualization of each of these constructs.

One consequence of the lack of an agreed specification for the notion of status is a widespread failure to distinguish between two different ways in which concerns with social status and social comparison might be influenced by income inequality. According to one interpretation of the status anxiety hypothesis, income inequality leads to increased concern with status-related comparison *in general*, such that when inequality is high people tend to compare themselves more with others in all aspects of life (i.e., not just with respect to their material wealth, but also with regard to their social skills, their artistic ability, their physical health and attractiveness, potential child-rearing ability, and so on). According to an alternative interpretation (which we make more precise below), income inequality leads instead to an increased concern with social comparison and status *specifically* on dimensions related to income and wealth (i.e., materialistic dimensions), and this concern is accompanied by a relative reduction in attention to other attributes. In other words, one account assumes that inequality leads to greater anxiety about status and comparison in general; the other account assumes that inequality leads to greater concern just with materialistic status.

A second challenge to the status anxiety hypothesis is the lack of any clear association between inequality and self-reported subjective well-being (e.g., Kelley & Evans, 2017a, 2017b). A negative relation between inequality and subjective well-being should be expected if status anxiety is the mediating factor. If income inequality leads to more status anxiety, and if that status anxiety can in itself be a source of mental health problems, then why do we find little or no relationship between inequality and subjective well-being? An increased propensity to compare with others should, according to the status anxiety hypothesis, have a negative impact on an individual's life satisfaction and happiness. While the mediating role of status anxiety has not been explicitly tested, the lack of relationship between inequality and subjective well-being is nonetheless surprising.

A third and final challenge is the fact that existing models of general status anxiety fail to explain, in any noncircular way, *why* individuals living in a region with high income inequality pursue higher status. Existing formulations typically simply *assume* that inequality may lead to increased social comparison and concern with status, without explaining why a rational or self-interested individual should change their behavior in this way as a function of the socioeconomic environment they happen to inhabit. A more complete explanation must go beyond demonstrating *that* individuals care more about social status under particular circumstances and provide an account of what function the associated behavior serves.

We illustrate with the following apparently paradoxical example. A natural way of instantiating the notion of social status within a quantitatively specified psychological model is in terms of relative ranked position. In other words, a person will judge themselves to have high social status to the extent that they perceive themselves to be located in, for example the top 10% or 20% of the population. However, such an implementation leads to apparent counterintuitive predictions. The increase in social rank that will result from a fixed increase in actual or apparent income or wealth is greater in a more equal society (i.e., an additional \$100 K will cause an individual to "overtake" a larger number of others when incomes are closely spaced). Thus, a rational agent might be expected to work longer hours or take more risk (e.g., of punishment or imprisonment) to obtain fixed amounts of money, and hence increments in rank, in a more equal society. And yet, the evidence generally suggests that such outcomes are more prevalent in more unequal societies. For example, unequal societies are associated with reduced trust (Oishi, Kesebir, & Diener, 2011), longer working hours (Bowles & Park, 2005), and more cheating (Neville, 2012). Thus, simple versions of the status anxiety hypothesis cannot easily explain why growing inequality would motivate people to become more materialistic. In the following section, we offer one possible theoretical account to address this issue.

Insights from Cognitive Models of Relative Judgment

In order to provide a psychologically plausible account of social status, we turn to research on judgment and decision-making. In particular, we start with the assumption that people make subjective judgments of their own and others' social status. The judgment and decision-making literature has well-developed models of how people make judgments, and these models typically acknowledge that such judgments are highly context dependent. Of particular relevance to this chapter, there has been a convergence in the literature on the idea that people's judgments of simple quantities are typically based on the *relative ranked position* of that quantity within a comparison context. For example, consider how a person might judge the quality of a cup of coffee. According to models like Decision by Sampling (Stewart, Chater, & Brown, 2006), which are inspired by models in psychophysics, such a judgment would involve the following steps. First, the person making the judgment would call to mind a comparison sample of, probably recent, coffee-drinking experiences. This sample might, for example, contain about seven comparison experiences. The person would then simply count up the number of coffees in this comparison sample that taste less nice than the current cup, and also count up the number of coffees that are nicer than the current cup. The subjective judgment of the niceness of the current drink will simply be the number of less nice coffees in the sample divided by the total number of comparison items in the memory sample. Note that this is effectively a judgment of the relative ranked position that the coffee being judged occupies within the comparison sample. This "rank principle" has received empirical support across a wide array of domains. Thus, for example, people's judgments about their levels of alcohol consumption are predicted by the relative ranked position that they believe themselves to occupy within the population (Wood, Brown, & Maltby, 2012)—if two people consume the same amount of alcohol per week, but one believes himself to rank at the 80th percentile (high end) of the distribution of consumption while the other believes herself to rank at the 10th percentile, the first will tend to be more concerned about his level of alcohol consumption. Similar influences of relative social rank are seen in perception of levels of exercise (Maltby, Wood, Vlaev, Taylor, & Brown, 2012), judged honesty of behaviors such as illegally downloading software (Aldrovandi, Wood, & Brown, 2013), and concern with anticipated levels of student indebtedness (Aldrovandi, Wood, Maltby, & Brown, 2015).

Here we connect these rank-based models of individual-level processing to the status anxiety and inequality literature through the assumption that "status" can be interpreted as "perceived rank within a social comparison group" (as opposed to being defined, for example in terms of authority over, or respect received from, others). The rank-based models of judgments in social context can then be used as the basis of quantitatively specified models of how status may be affected by socioeconomic variables such as income inequality. Thus, unlike current formulations of the status anxiety hypothesis, we put forward a precise psychological model that may underpin the interplay between inequality and status anxiety.

Support for the interpretation of social status specifically in terms of social rank comes from the fact that people's subjective well-being (here, self-reported life satisfaction) is predicted not by their income but by the relative ranked position of their income within a social comparison group (Boyce, Brown, & Moore, 2010). Similarly, wage satisfaction is predicted by the relative ranked position of an individual's wage within their organization (Brown, Gardner, Oswald, & Qian, 2008), mental distress is predicted not by income but by relative rank of income (Hounkpatin, Wood, Brown, & Dunn, 2015; Wood, Boyce, Moore, & Brown, 2012), and general life satisfaction is conferred not by the absolute value of one's home, financial assets, or mortgage debt but rather by the relative ranked position of those quantities within a social comparison group (Brown, Gathergood, & Weber, 2017). Many of these findings can be interpreted as effects of social status. Next, we argue that interpreting social status as relative rank not only allows a link to be made between cognitive models of judgment and approaches to social status and inequality, but also sheds new light on the challenges we identified earlier.

First, the model-based approach allows us to formalize the distinction between domain-general and domain-specific effects of inequality on status concerns. As noted above, there is a difference between the idea that inequality will increase concerns with status in general and the suggestion that inequality will increase concerns more specifically with status along dimensions relating to income, wealth and so on. These different accounts can be understood in terms of the types of social comparison that individuals engage in.

In terms of the rank-based models described earlier, an individual's overall social status could reflect their relative ranked position on a number of different dimensions, such as income/wealth, physical attractiveness, creative ability, trustworthiness, and social skills. The core assumption of what we term the *social rank hypothesis* of inequality is that inequality will lead to increased concerns with the rank that an individual perceives themselves to occupy with respect to all dimensions of social life. We contrast the social rank hypothesis with what we call the *material rank hypothesis*. According to the material rank hypothesis, income inequality changes the relative importance of different dimensions in determining people's motivations. More specifically, the material rank hypothesis assumes that when income inequality is high people pay relatively more attention to their ranked position on dimensions related to income, wealth, and material success, and relatively less attention to their ranked position on other dimensions such as creative or social ability. The material rank hypothesis is therefore distinct from the idea that inequality leads to a greater concern with social status overall as assumed by the social rank hypothesis. Rather, it focuses on the relative importance of different attributes in contributing to overall social status. (The material rank hypothesis does not, however, exclude the possibility that inequality leads to both an increased overall concern with social status *and* a change in the relative weight placed on different attributes in contributing to overall status.)

We can express the different models quantitatively as follows. Suppose that AM is a set of absolute values on material dimensions (wealth, income, etc.) and AO is another set of absolute values on other nonmaterial dimensions (social

connectedness, physical attractiveness, etc.). RM and RO are relative ranked positions on material and nonmaterial dimensions, respectively. Let us assume that all of these quantities may influence well-being, but that the relative weights given to them may differ as a function of inequality. We can therefore write a well-being (WB) equation as follows:

$$WB = w * (j * AM + (1 - j) * AO) + (1 - w) * (k * RM + (1 - k) * RO),$$

where w , j , and k are weighting parameters (all $= >0$ and $= <1$).

The general social rank hypothesis simply states that w reduces when income inequality is high. This has the effect of increasing the relative importance of rank-based comparisons (i.e., social status) on all dimensions whether materialistic or not. The material rank hypothesis, in contrast, states that income inequality will increase k (rank on materialistic dimensions will increase in importance relative to rank on other dimensions; $w < 1.0$) and perhaps also j (absolute value in materialistic dimensions will increase in importance relative to absolute value on other dimensions; $w > 0$).

Because the general and materialism-specific interpretations of the status anxiety hypothesis have typically not been clearly distinguished in the literature, there is a lack of data that enable us to tease them apart. However, many of the findings we discussed so far are at least consistent with the idea that there is something specific about the forms of status seeking that characterize people who live in highly unequal regions. More specifically, they are consistent with the idea that greater inequality makes money and wealth more important for signaling status, as suggested by the material rank hypothesis. In a clear illustration of pure status signaling along a materialistic dimension, Bursztyn and colleagues (Bursztyn, Ferman, Fiorin, Kanz, & Rao, 2018) showed that demand for platinum credit cards is largely driven by the fact that such cards are widely recognized as objects of high status. In a series of field experiments with Indonesian bank customers, the authors also found that such cards were less likely to be used in a private context rather than in a social context where the ownership of a platinum card could be overtly signaled. This is an example of conspicuous consumption, which refers to spending of one's disposable income on goods that can be used to signal and maintain one's social status (Frank, 2010; Veblen, 1899). Status signaling is further expressed in purchases of positional goods—items whose value depends on their scarcity in the market. Luxury brands and rare items (e.g., antiques) are therefore valued highly as they can be used to signal one's status. Findings in the literature are consistent with the hypothesis that people who live in unequal regions are more interested in positional consumption to signal their status. In order to sustain more materialistic and luxurious lifestyles, people may feel compelled to work longer hours and borrow more (Bowles & Park, 2005; Christen & Morgan, 2005; Wisman, 2009). Spending on status signaling is self-perpetuating, since new goods need to be purchased as the ownership of a particular good or brand increases in the population. Industry is well aware of this phenomenon and actively fights against depreciation of brand value. For example, some luxury clothing brands burn most of their stock every year so that their

products cannot be sold in discount stores.¹ The never-ending drive to consume more to maintain one's social status could therefore have negative consequences for one's well-being, as when, for example, a person becomes indebted or spends more time on work than on family or maintenance of the social networks that are protective of health and well-being.

Preoccupation with conspicuous consumption and positional goods is not easy to study. Real-world spending data are valuable, but may fail to capture status anxiety experienced by those who cannot purchase most luxurious and rare goods. We addressed this issue in our own work, in which we used large volumes of online data to study the relationship between inequality and positional consumption. In two papers (Walasek & Brown, 2015, 2016) we investigated the correlation between the frequency of Google search terms and regional levels of income inequality, using Google Correlate and Google Trends. Google Correlate allows anyone to query a database of Internet search terms and extract terms whose search frequencies are most strongly correlated with each other. Using regional data on GINI coefficients in different US states as a measure of inequality, we were able to extract a list of terms that were both positively and negatively correlated, in terms of their relative search frequency, with our measure of inequality. Our findings were consistent with the material rank hypothesis, showing that in more unequal regions people devote more of their resources (here, time searching the web) looking for high-status goods such as expensive watches or luxury perfumes, than they do in more equal regions. For example, we found that, of the 40 search terms used more frequently in states with greater income inequality, more than 70% referred to status goods. We obtained this result even when we controlled for the average level of income and other state-level characteristics. None of the terms that were less likely to occur when inequality was high referred to status goods. Importantly, when we submitted income on its own into Google Correlate, we did not find terms referring to status goods. We obtained similar results when looking at the relative search frequency of different terms across nations. Here, we used Google Trends to compare the relative search frequency of five luxury brands (Gucci, Louis Vuitton, Rolex, Prada and Chanel) in 99 different countries. After controlling for average income, we found a positive interaction between inequality (GINI coefficient) and income, such that searches for luxury brands were higher in countries that were both richer *and* more unequal. Taken together these results indicate that people pay more attention to status goods if they live in more unequal regions.

Although Google searches indicate people's interests, they are inherently private and do not in themselves signal interests in positional consumption to others. In a separate paper, we therefore set out to extend our findings using data from publicly open communication on social media (Walasek, Bhatia, & Brown, 2018). Twitter is currently the most popular microblogging platform, with approximately 327 million active users, who post (tweet) around 500 million short messages (tweets) every day. Each tweet is limited to 140 characters and often reflects the sender's current

¹ <https://www.theguardian.com/fashion/2018/jul/19/burberry-destroys-28m-stock-guard-against-counterfeits>

concerns, opinions, and interests. Twitter is increasingly recognized as a valuable data source that can be used to study people's emotions, cognitions, and behaviors in the context of broader societal issues. For example, existing work has used Tweets to test psychological theories of social comparison (Chrisler, Fung, Lopez, & Gorman, 2013), personality (McCann, 2014), and political polarization (Bozdog, Gao, Houben, & Warnier, 2014). We therefore collected millions of geo-located tweets from Twitter and searched these tweets for messages mentioning luxury brands and expensive products. We replicated the results from Google searches, finding a positive association between inequality and the number of messages mentioning status goods and brands, at the level of metropolitan areas, counties, and US states.

Taken together, these findings appear consistent with the material rank hypothesis in that they evidence a link between income inequality and people's concern with their social status on materialistic dimensions. We note that while the findings of ourselves and others concerning income inequality and status concern are consistent with the material rank hypothesis, they do not provide evidence against the social rank hypothesis because the research has typically only examined concern with materialistic dimensions rather than comparing the importance of materialistic and other dimensions.

We now turn to the second challenge for the status anxiety approach, particularly versions of it that emphasize materialism-related dimensions. To recap: The paradox is as follows. While it is clear that income inequality is associated with reduced societal well-being, at least in relatively developed nations it does not appear to be associated with reduced subjective well-being at the level of individuals as assessed by self-reported life satisfaction. Such a finding appears inconsistent with a number of suggestions that materialistic attitudes are associated with reduced subjective well-being (e.g., Kasser, 2002), although we note that in a recent meta-analysis Dittmar, Bond, Hurst, and Kasser (2014) found that life satisfaction was one of the measures of subjective well-being that was least highly correlated with materialism. It is important to bear in mind that subjective well-being is only one aspect of well-being more generally, and also that life satisfaction is in turn only one sub-component of this construct. Nevertheless, given the influential proposal that life satisfaction should be a key target of public policy, it seems important to understand why income inequality seems to have little or no effect on mean life satisfaction within well-developed countries.

To explain the paradox, we note a distinction between two ways in which we can think about how income affects life satisfaction. First, we can consider the importance of income relative to other attributes (such as richness of social networks) in determining well-being. Second, irrespective of the comparative importance of income, we can ask how an individual's income (relative to other incomes in a social comparison group) affects their life satisfaction. These are distinct issues. To illustrate: As we have noted above, there is considerable evidence that several aspects of subjective well-being (including life satisfaction) are affected by the relative ranked position of individuals' incomes rather than by their absolute incomes

(e.g., Boyce et al., 2010). But this relative rank effect will apply whatever the importance of income (relative to other aspects of life) in determining life satisfaction. This is important in explaining the paradox, because inequality will be expected to have no effect on mean life satisfaction within a region to the extent that each individual's life satisfaction is determined by the relative ranked position of their income within that region. The average relative ranked position of incomes within a social comparison group will always be 0.5, no matter how those incomes are distributed and no matter how much weight is given to income as opposed to nonincome dimensions in determining life satisfaction. According to a rank-based approach, therefore, it is unsurprising that mean life satisfaction is unaffected by income inequality.

Furthermore, the income-rank hypothesis makes a clear and, we suggest, counterintuitive prediction: The slope relating income to life satisfaction should be steeper when income inequality is low. This is because a fixed increment in income or wealth will be associated with a larger increase in relative rank when incomes are clustered more tightly together—more people will be “overtaken” as a result of the increment. This prediction has now been confirmed in four separate datasets. The slope relating income to life satisfaction is steeper in more equal countries, such that the same increase in income buys about 25% more life satisfaction for a typical person living in a relatively equal country than for the same individual living in a relatively unequal country (Brown, Quispe-Torreblanca, Boyce, & Wood, 2017).

Finally, we address the third limitation of the status anxiety hypothesis that we identified above—why should people living in unequal regions choose to pursue status more? Specifically, we consider how a decision-maker will rationally pay differential attention to different signals (e.g., ranked position along different dimensions) in order to make optimal use of available environmental information and cognitive resources. The social rank hypothesis suggests that income, together with fitness markers such as physical attractiveness, trustworthiness, and social skills act as indicators of social status that would be, at least in the environment in which we evolved, relevant to the valuation of others (such as potential mates, see Blake & Brooke, chapter “Income Inequality and Reproductive Competition: Implications for Consumption, Status-Seeking, and Women's Self-Sexualization”). To succeed, individuals must be able to determine the relative ranked position of potential mates on these and other dimensions. However, income will be a more reliable indicator of social status in unequal countries. For example, the income of a potential mate might only be determinable to within \pm \$5000—that is, there is a “signaling error.” Some error is likely to apply to judgments of status in other domains as well, and hence the accuracy of such judgments will depend on their distribution in a given society.

We illustrate the case of income in Fig. 1 (taken from Walasek et al., 2018). The top panel shows the cumulative distribution of incomes (equivalent to their relative ranks) in a relatively equal society (GINI = 0.28), while the bottom panel shows the cumulative distribution of incomes in a relatively unequal society (GINI = 0.48). The horizontal axis shows normally distributed (on the log scale) noise, with the

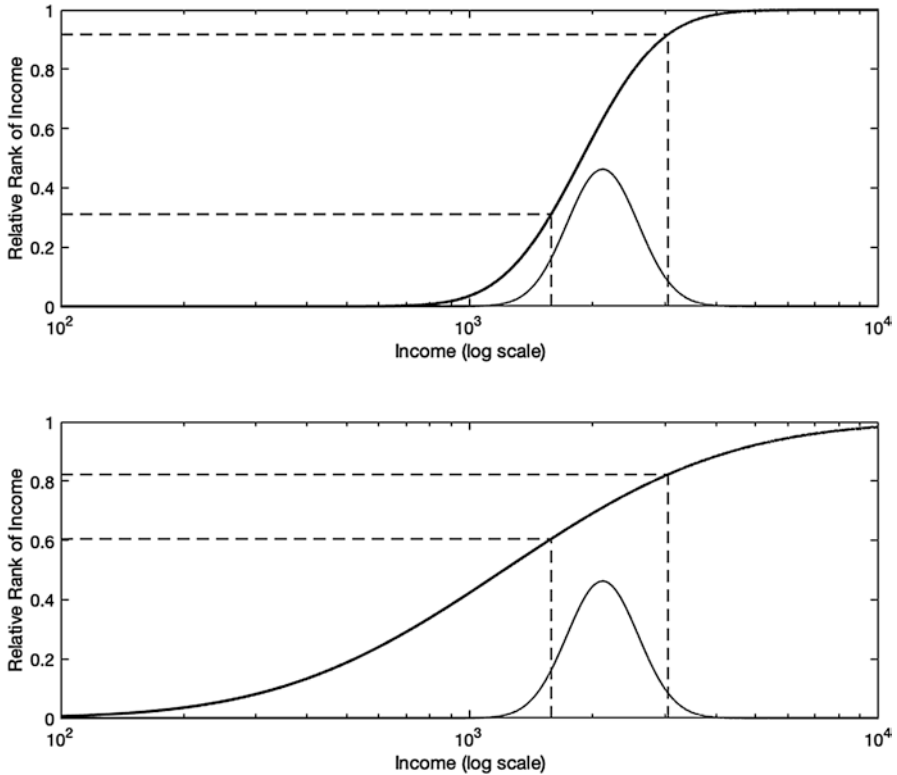


Fig. 1 Cumulative income distributions and the relative rank of each income in a more equal (upper panel) and less equal (lower panel) society. Perception of rank of income is uncertain due to the normally distributed noise. (Modified from Walasek et al. (2018))

same standard deviation in both panels of the figure. This standard deviation represents hypothetical uncertainty in perceiving an individual's absolute income. As indicated by the dashed lines, the constant error on the horizontal (income) axis translates to a much greater error on the vertical (rank/social status) axis in the top panel where income is more equally distributed.

If income is indeed a more reliable signal of social status in a more unequal society, rational individuals will pay relatively more attention to the income dimension in such societies. In turn, it then becomes rational for individuals to devote more resources to maximizing their apparent position along that dimension even at the expense of sacrificing their position on other dimensions (such as physical health or the richness of social networks). It would then not be surprising if individuals in an unequal society were prepared to work longer hours, and spend less time on leisure activities, etc. in order to maximize their income.

Conclusion

In summary, we have attempted to critique, develop, and extend the status anxiety approach to inequality by linking it to individual-level models of rank-based social comparison. We have argued, in the context of such models, that there is a need to distinguish between accounts that assume that income inequality increases concerns with status and social comparison generally and accounts that assume a domain-specific increase. We have also shown that rank-based models of social comparison can shed light on some results that otherwise appear problematic for the status anxiety approach to inequality.

We suggest that in future research it will be important to distinguish between data that support a relationship between inequality and concerns with social status overall, and data that support selectively greater concern with materialism-related social status. Thus, many of the studies cited in support of the status anxiety hypothesis are consistent with the general claim that inequality increases concern with status overall but do not provide evidence for the more specific claim that inequality changes the relative attention paid to different dimensions. For a study to support the more specific hypothesis, it would need to show not only increased attention to income/wealth/materialism dimensions but also correspondingly less attention to other dimensions.

Future studies will need to collect new empirical data to disentangle competing mechanisms underlying the status anxiety hypothesis. Even if the models described above are not accurate, they offer specific quantitative predictions about the meaning of status and its relation to subjective well-being. Most importantly, they offer a possible psychological mechanism which may underpin a causal relationship between concern with status at the level of the individual and society-level outcomes.

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Identifying the Psychological Mechanisms Underlying the Effects of Inequality on Society: The Macro-Micro Model of Inequality and Relative Deprivation (MIREd)



Danny Osborne, Efraín García-Sánchez, and Chris G. Sibley

If he needs a million acres to make him feel rich, seems to me he needs it 'cause he feels awful poor inside hisself, and if he's poor in hisself, there ain't no million acres gonna make him feel rich, an' maybe he's disappointed that nothin' he can do 'll make him feel rich.

—John Steinbeck (1939/1968, p. 282)

Steinbeck's (1939/1968) haunting portrayal of the Joad family's westward migration during the Great Depression paints a dire, albeit painfully accurate, portrait of economic hardship and inequality. On their way to an idealized promise land in California's Central Valley, the Joads experience countless miseries including discrimination, physical (and mental) illness, famine, and death. Yet as they near their intended destination, the Joads meet a disillusioned preacher who disabuses them of their misplaced hope by noting that California's abundant resources are concentrated among the few. The preacher further dispels the notion that California could bring respite to the poor by informing the Joads that even the rich "feel awful poor" in a vastly unequal land of plenty.

Although fictional, Steinbeck's (1939/1968) gripping tale *The Grapes of Wrath* aptly captures the empirical realities of inequality. This chapter reviews this burgeoning literature, beginning with a brief overview of the impact that living in an unequal society has on people's physical and mental well-being. In reviewing this work, we identify a key oversight in the extant literature; although we may know much about the negative effects of inequality on well-being, we have a limited understanding of *why* inequality is harmful (see also Jetten, Mols, & Postmes, 2015). To address this oversight, we argue that inequality is detrimental to society

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because it elicits invidious social comparisons in which people feel deprived relative to others. We also suggest that, because people are more likely to engage in aspirational than downward social comparisons (Boyce, Brown, & Moore, 2010; Ferrer-i-Carbonell, 2005; Mols & Jetten, 2017), even those who are objectively well-off can subjectively experience relative deprivation particularly when comparing themselves to the wealthiest 1% (see also Mols & Jetten, 2015, who show that leaders of right-wing populist parties transform objective levels of relative gratification into perceptions of relative deprivation by crafting an “us vs. them” narrative and stoking unrealistic fears over the exploitation of commoners). After reviewing research on relative deprivation theory to evaluate our thesis, we propose a macro-micro model of inequality and relative deprivation (MIREd) to outline one probable pathway through which macro-level inequality influences micro-level outcomes (namely, through perceptions of relative deprivation). We conclude with suggestions for future research.

Consequences of Inequality

Empirical work on inequality reveals that income differences between the wealthy and the poor have steadily risen over the last 40 years, reaching a point that matches—and even surpasses—the inequality noted in Steinbeck’s (1939/1968) harrowing portrait of the Great Depression (Atkinson, Piketty, & Saez, 2011; Piketty & Saez, 2003). Following a precipitous decline at the end of World War II and a brief period of stable income differences, inequality rapidly increased starting in the late 1970s/early 1980s in many Western countries including Australia (Atkinson & Leigh, 2007), Canada (Saez & Veall, 2005), New Zealand (Atkinson & Leigh, 2008), the United Kingdom (Atkinson & Salverda, 2005), and the United States (Piketty & Saez, 2003). Accordingly, Piketty (2014) notes that the wealthiest 1% of the population in countries with high levels of inequality (e.g., the United States circa 2010) now earn as much as the poorest 50% of the population combined. Differences in *capital* income are even starker. Whereas 35% of a nation’s capital is concentrated among the richest 1%, the poorest 50% accrue *only* 5% of a given nation’s capital income. As of 2015, the wealthiest 62 people in the world (53 of whom are men) have as much combined wealth as the poorest half of the world’s population (Hardoon, Fuentes-Nieva, & Ayele, 2016). Despite these already alarming inequalities, experts believe that the concentration of wealth into the hands of the few is likely to further increase over the coming years (e.g., see Alvaredo, Chancel, Piketty, Saez, & Zucman, 2017).

In addition to raising questions about the fairness of economic systems that allow—and even exalt—such exuberant inequities, the rising rates of inequality seen across the globe have important implications for the health and well-being of society (see Rodgers, 1979). For example, Lopez (2004) found that the amount of inequality in metropolitan areas correlated negatively with self-reported health *even after accounting for* critical demographic variables including age, gender, ethnicity,

educational attainment, and income. Others similarly reveal that the amount of inequality in one's local context correlates positively with poor mental health outcomes including rates of depression (Muramatsu, 2003; Pabayo, Kawachi, & Gilman, 2014) and schizophrenia (Boydell, van Os, McKenzie, & Murray, 2004; Burns & Esterhuizen, 2008). Macro-level inequality also correlates negatively with life satisfaction (Cheung & Lucas, 2016; Oishi, Kesebir, & Diener, 2011), well-being (Sengupta, Greaves, Osborne, & Sibley, 2017), and even life expectancy (Eibner & Evans, 2005; Kaplan, Pamuk, Lynch, Cohen, & Balfour, 1996; Kawachi & Kennedy, 1997; Wilkinson, 1992).

Although it is tempting to assume that inequality only negatively affects the poor, research consistently demonstrates that its harmful effects extend beyond the disadvantaged. Persson and Tabellini (1994) identified a negative correlation between inequality and nationwide economic growth (see also Grigoli, Paredes, & Di Bella, 2016; Grigoli & Robles, 2017), implying that high levels of inequality may ironically undermine a nation's economic output. In terms of individual-level outcomes, Winkelmann and Winkelmann (2010) revealed that inequality correlated negatively with people's satisfaction with their personal income among the middle class. Both the poor and the rich also experience elevated risks of mental illness (Alesina, Di Tella, & MacCulloch, 2004), infant mortality (Kennedy, Kawachi, & Prothrow-Stith, 1996), and early death (Kaplan et al., 1996; Ram, 2005; Wilkinson, 1992) in unequal (versus equal) societies (also see Wilkinson & Pickett, 2010). In fact, analyses of the impact of state-level inequality on well-being in the United States reveals that the negative association between inequality and self-rated health is heightened among those earning \$75,000 or more per year (Subramanian & Kawachi, 2006). Inequality negatively correlates with a myriad of well-being measures across income strata.

In addition to undermining people's health and well-being, inequality can weaken social connections (Kennedy, Kawachi, Prothrow-Stith, Lochner, & Gupta, 1998; Nishi, Shirado, Rand, & Christakis, 2015) and foster anti-immigrant sentiment (Jetten et al., 2015). Sengupta et al. (2013) conducted multi-level analyses of data from New Zealand and found that neighborhood-level deprivation—an objective measure of financial hardship that accounts for the proportion of people living in poverty within a given community—correlated negatively with people's sense of community. Notably, neighborhood-level deprivation predicted a lower sense of community even after adjusting for individual-level variables including income, age, ethnicity, gender, feelings of loneliness, and views on the community, as well as neighborhood-level predictors including the median age of people living in the neighborhood, the proportion of married people in the neighborhood, and the proportion of immigrants who live in the neighborhood. Living in areas deprived of the material goods readily available to others prevents people from forming meaningful social connections.

Given that inequality undermines our ability to connect with others, living in unequal societies may contribute to social dysfunction (see Wilkinson & Pickett, 2009). Accordingly, inequality correlates negatively with people's trust in others (Oishi et al., 2011; Wilkinson & Pickett, 2010), but positively with the perception

that one is competing with others (Sommet, Elliot, Jamieson, & Butera, 2019) and with both interpersonal hostility and aggression (see Greitemeyer & Sagioglou, 2017). Inequality also correlates positively with crime rates (Fajnzylber, Lederman, & Loayza, 2002a, 2002b; Kelly, 2000; Kennedy et al., 1998; Metz & Burdina, 2018; Pratt & Godsey, 2003) and the size of the prison population (Krus & Hoehl, 1994; Wilkinson & Pickett, 2007), as well as the severity of the criminal justice system (Myers, 1987). Yet despite their elevated incarceration rates and harsher prison sentences, unequal societies also have higher homicide rates than do relatively egalitarian societies (Henry, 2009; Kaplan et al., 1996; Kawachi, Kennedy, & Wilkinson, 1999). Inequality has far-reaching negative consequences for the health and well-being of society.

Relative Deprivation

Although objective levels of inequality adversely affect people's physical and mental well-being, Stouffer, Suchman, DeVinney, Star, and Williams (1949) were among the first to recognize that *subjective* experiences often matter more than *objective* circumstances when assessing people's responses to inequality. In their now-classic study, Stouffer and colleagues assessed military police and Army Air Corps soldiers' satisfaction with the promotion process in the military. Surprisingly, the authors found that, despite receiving more frequent promotions, Air Corps soldiers were *less* satisfied with the promotion process than were military police. Rather than comparing themselves to other soldiers in general, Stouffer and colleagues argued that military police and Air Corps soldiers made aspirational upward social comparisons with soldiers within the *same* occupation. Thus, soldiers' relative, rather than absolute, standing influenced their satisfaction with the promotion process.

Since Stouffer et al.'s (1949) influential observation, a burgeoning literature has developed to highlight the importance of *relative* deprivation on various socially relevant outcomes. One of the key advancements within this tradition is Runciman's (1966) work on the different types of social comparisons people can make. Whereas invidious interpersonal comparisons may lead to feeling personally deprived relative to others (i.e., individual-based relative deprivation [IRD]), intergroup comparisons can foster the belief that one's group is deprived relative to other groups (i.e., group-based relative deprivation [GRD]). Because IRD and GRD originate from distinct social comparisons, they should predict separate outcomes. Indeed, IRD is a better predictor than GRD of self-focused outcomes including physical and mental health, whereas GRD is a better predictor than IRD of group-focused outcomes such as ethnic group identification and support for collective action (see Smith, Pettigrew, Pippin, & Bialosiewicz, 2012). Given that inequality has the capacity to elicit either IRD or GRD by increasing the salience of the "haves" and the "have-nots" (see Jetten et al., 2017; Osborne, Sibley, & Sengupta, 2015), the type of invidious comparison one makes within an unequal context should have different

consequences for the self and group, respectively. To these ends, we now turn to a review of the literature on the associations IRD and GRD have with self- and group-focused outcomes, respectively.

Relative Deprivation and Individual-Based Outcomes

Because IRD originates from the perception that one is *personally deprived* relative to other individuals and, thus, threatens one's personal identity (cf. Turner, Oakes, Haslam, & McGarty, 1994), IRD should correlate with self-focused outcomes. In one illustrative study that investigated this hypothesis, Adler, Epel, Castellazzo, and Ickovics (2000) assessed people's objective socioeconomic status and perceived status using a common measure of perceived relative standing. Namely, participants noted where they perceived themselves to be relative to others using a 10-rung ladder wherein the lowest rung of the ladder represents those who are worst off (i.e., high IRD), whereas the top rung reflects those who are the most well-off (i.e., low IRD), in society. Also assessed were multiple measures of physical and mental well-being. Although objective socioeconomic status was not associated with most health outcomes, IRD correlated negatively with sleep latency, and positively with heart rate, chronic stress, pessimism, and use of passive coping styles. That is, as IRD increased, the tendency to experience physical and mental health decrements also increased—associations that remained reliable even *after* adjusting for objective socioeconomic status.

Numerous other studies have replicated these negative associations between IRD and well-being. As well as correlating positively with levels of stress (Walker & Mann, 1987) and psychological distress (Abrams & Grant, 2012; Keith, 1996; Osborne & Sibley, 2013), IRD correlates negatively with self-esteem (Osborne, Sibley, et al., 2015), life satisfaction (Osborne & Sibley, 2013; Schmitt, Maes, & Widaman, 2010), and self-rated health (Callan, Kim, & Matthews, 2015). In a particularly compelling study, Cohen et al. (2008) assessed a sample of healthy adults' objective socioeconomic status and IRD (namely, a 9-rung ladder item similar to Adler et al. (2000)), after which participants were exposed to a cold virus through a nasal drip. Following a brief quarantine period, participants' cold symptoms were assessed. Although the objective measure of socioeconomic status was not associated with the likelihood of contracting a cold, participants who perceived themselves to be worse off than others (i.e., high on IRD) were more likely than those who were moderate or low on IRD to develop cold symptoms.

In addition to correlating negatively with well-being, IRD correlates positively with mortality rates. For example, Eibner and Evans (2005) investigated the association between relative deprivation and life expectancy and found that relative deprivation correlated positively with the probability of dying *after accounting for* income and other relevant demographic covariates. Relatedly, Boyle, Norman, and Rees (2004) examined longitudinal panel data over a 20-year period and found that respondents who lived in neighborhoods that experienced prolonged periods of rela-

tive deprivation had elevated risks of adverse health outcomes and mortality compared to those whose neighborhoods had become less relatively deprived over time. Together, these studies reveal that people's *relative* position in society correlates positively with well-being, thereby providing indirect support for a plausible mechanism through which objective inequality influences people's health.

Relative Deprivation and Group-Based Outcomes

Whereas IRD originates from social comparisons that invoke the personal self and, thus, correlates with self-focused outcomes (cf. Turner et al., 1994), GRD arises from intergroup comparisons that threaten one's social identity. As such, GRD tends to correlate with group-focused outcomes. For example, Osborne, Smith, and Huo (2012) measured university faculty members' perceptions of relative deprivation in the wake of statewide cuts to tertiary educators' income and found that perceptions of relative deprivation correlated positively with collective action support. Osborne and Sibley (2013) also investigated the unique effects of GRD (after adjusting for IRD) on protest support in a sample of Māori (i.e., the indigenous peoples of New Zealand). Consistent with the view that relative deprivation could facilitate group-based responses to inequality, GRD (but not IRD) correlated positively with support for collective action on behalf of Māori rights. Other research also shows that GRD correlates positively with collective action support in diverse countries including (but not limited to) Australia (Walker & Mann, 1987), Canada (Grant & Brown, 1995; Olson, Roese, Meen, & Robertson, 1995), the Netherlands (Koomen & Fränkel, 1992), Scotland (Abrams & Grant, 2012), and the United States (Osborne, Huo, & Smith, 2015).

Given that GRD is a critical antecedent to collective action aimed at redressing inequality, feeling that one's ethnic group is unfairly deprived relative to other ethnic groups may undermine intergroup harmony. Indeed, Osborne and Sibley (2015) found that GRD correlated positively with ratings of warmth toward the ingroup, but negatively with ratings of warmth toward the outgroup, among a large sample of minorities, suggesting that GRD may facilitate intergroup hostility. Consistent with this assumption, Greitemeyer and Sagioglou (2016) revealed that subjective SES (i.e., the cognitive component of relative deprivation) correlated negatively with numerous indicators of aggression including trait-level aggression, state-level hostility, hostile/aggressive views of others, and actual aggressive behavior. Greitemeyer and Sagioglou (2017) further demonstrated that state-level hostility mediated the relationship between relative deprivation and aggression, suggesting that relative deprivation can inflame intergroup relations by increasing the propensity to act aggressively toward others. Indeed, GRD can heighten intergroup competition (e.g., Halevy, Chou, Cohen, & Bornstein, 2010; see also Blake & Brooks, Chapter 11) and increase support for anti-immigrant populist movements (e.g., Marchlewska, Cichocka, Panayiotou, Castellanos, & Batayneh, 2018). Together, these studies

demonstrate that GRD has the potential to facilitate support for collective action and to elicit intergroup hostilities, two relatively understudied consequences of inequality.

Moderators of Relative Deprivation

Although IRD and GRD have important implications for self- and group-focused outcomes, people's ideological beliefs and worldviews may moderate these relationships. Indeed, beliefs that justify and legitimize inequality may attenuate the effects of relative deprivation on self- and group-focused outcomes by "dampen[ing] the blow of inequality" (Osborne & Sibley, 2013, p. 996). Consistent with this assumption, Osborne and Sibley (2013) found that the negative association between IRD and well-being was attenuated among those who strongly (versus weakly) endorsed system justification. Likewise, the associations GRD had with perceptions of group-based discrimination and collective action support were weaker at high (versus low) levels of system justification. Finally, Willis, Rodríguez-Bailón, López-Rodríguez, and García-Sánchez (2015) demonstrated that the endorsement of system-justifying beliefs correlated positively with tolerance of inequality, implying that belief systems influence whether or not people experience relative deprivation when faced with objective levels of inequality (see also Blanchard & Eidelman, Chapter 22; Walasek & Brown, Chapter 15).

Although most work has examined ideologies that *weaken* the associations between feelings of relative deprivation and micro-level outcomes, the endorsement of some beliefs may *strengthen* these associations. For example, individual differences in the preference for group-based hierarchy, as indexed by social dominance orientation (SDO; Pratto, Sidanius, Stallworth, & Malle, 1994), may bolster the negative association between IRD and well-being by increasing people's concern over their relative position in the status hierarchy. As such, IRD should be particularly troubling for those high on SDO, thereby exacerbating the health decrements associated with a perceived lack of relative status. Conversely, those who personally benefit from inequality (i.e., those who are low on IRD) may be especially pleased with their privileged position if they are high on SDO and, as such, may be buffered from the negative effects of inequality that befall the wealthy and the poor. Similarly, SDO should strengthen the associations between GRD and group-based outcomes by either increasing the distress associated with belonging to a low-status group for those who are high on GRD or by reaffirming the view that some groups simply deserve to be on top of the status hierarchy for those low on GRD. Although never assessed, these possibilities reflect promising directions for future research.

A Macro-Micro Model of Inequality and Relative Deprivation (MIREd)

Collectively, the extant literatures on inequality and relative deprivation suggest that perceptions of relative deprivation may be a crucial, albeit relatively unexamined, mediator of the relationship between inequality and well-being. To these ends, Fig. 1 displays a macro-micro model of relative deprivation (MIREd), which provides a schematic overview of the hypothesized associations inequality has with micro-level outcomes. According to MIREd, macro-level inequality increases the salience of distinctions between the “haves” and the “have-nots” (Cheung & Lucas, 2016; Jetten et al., 2017). The strength of the relationship between macro-level inequality and the salience of intergroup comparisons should, however, depend on how visible inequality is in the first place. For example, de facto residential segregation should reduce the salience of social comparisons by limiting one’s exposure to those with different living standards. Conversely, living in an individualistic culture that encourages competition, consumerism, and flagrant displays of wealth should strengthen the relationship between inequality and social comparisons. In other words, factors that render objective levels of inequality invisible should attenuate the relationship between macro-level inequality and social comparisons, whereas this same relationship should be heightened when inequality is highly visible.

MIREd also posits that the increased salience of readily available social comparisons in unequal societies should foster feelings of relative deprivation among the majority of the population, especially when the basic conditions of relative deprivation are met (see Fig. 1). To these ends, Crosby (1976) noted that the experience of relative deprivation requires a person to first notice that similar others possess a social good. The person must also (a) want the good, (b) believe that he/she deserves the good, and (c) think that he/she could potentially obtain the desired resource. Finally, in order to experience relative deprivation, the person must also believe that he/she has been unjustly denied the social good. In the absence of these

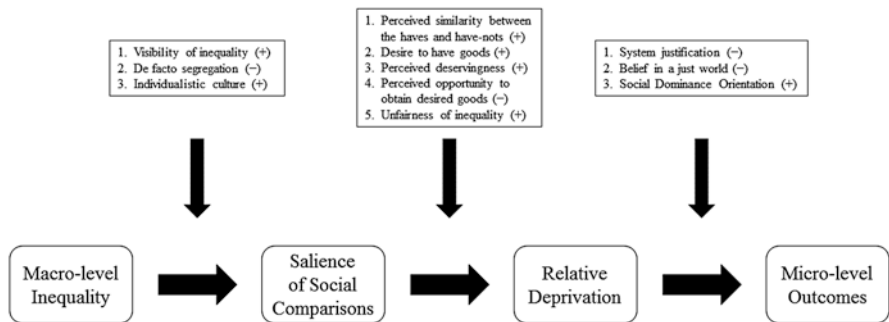


Fig. 1 Macro-micro model of inequality and relative deprivation (MIREd). According to MIREd, the effects of macro-level inequality on micro-level outcomes are transmitted through the salience of social comparisons and ensuing experiences of relative deprivation

five preconditions, MIREd predicts that the increased salience of intergroup comparisons due to heightened levels of inequality is unlikely to elicit IRD (or GRD).

The final stage of MIREd specifies the individual-level effects of inequality (see Fig. 1). Given that feeling personally deprived relative to others casts an unfavorable light on the personal self, IRD should correlate with numerous self-focused outcomes, including lower physical and mental health (Abrams & Grant, 2012; Keith, 1996; Osborne & Sibley, 2013; Schmitt et al., 2010). Conversely, GRD entails evaluations related to the social self and, as such, should predict group-based outcomes including group identification (Ellemers & Bos, 1998; Osborne, Huo, et al., 2015; Osborne, Sibley, et al., 2015), group-based self-esteem (Osborne, Sibley, et al., 2015; Walker, 1999), and support for collective action (Abrams & Grant, 2012; Osborne & Sibley, 2013). Endorsement of ideologies that legitimize inequality, including belief in a just world (Lerner, 1980) and system justification (Kay & Jost, 2003), should, however, provide temporary relief from the effects of relative deprivation on various micro-level outcomes (see Bahamondes, Sibley, & Osborne, 2019; Osborne, Sengupta, & Sibley, 2019). In contrast, people's desire for group-based hierarchy (i.e., SDO; see Pratto et al., 1994) may strengthen the relationship between relative deprivation and micro-level outcomes by heightening concerns over one's relative position in society for those who perceive themselves to be relatively deprived, and by reifying one's belief in the fairness and necessity of inequality for those who believe they are advantaged relative to others.

That inequality could increase feelings of relative deprivation resonates with research on both social identity theory (Tajfel & Turner, 1979) and self-categorization theory (Turner, Hogg, Oakes, Reicher, & Wetherell, 1987). Indeed, both approaches provide the novel insight that the salience of intergroup boundaries increases people's tendency to pursue competitive (versus cooperative) intergroup behavior (e.g., see Brewer, 1979; Brewer & Kramer, 1985; Mummendey, Klink, Mielke, Wenzel, & Blanz, 1999). Consistent with this thesis, Cheung and Lucas (2016) assessed the association between income and subjective well-being among over 1.7 million people nested within 2425 counties in the United States. Although income correlated positively with life satisfaction, county-level income correlated negatively with how satisfied people were with their lives. Simple slope analyses demonstrated that those living in wealthy counties needed to earn an extra \$4400 a year to be as happy as those living in poor counties. Moreover, the amount of county-level inequality moderated these associations such that the negative relationship between relative income and life satisfaction was higher in areas with high (versus low) levels of inequality, suggesting that inequality facilitates invidious social comparisons that negatively affect one's well-being.

Corroborating the finding that inequality has the potential to breed invidious social comparisons, Walasek and Brown (2015; Chapter 15) found that status-related Google searches (e.g., "fur vests," "Ralph Lauren," "driving loafers," etc.) correlated positively with statewide inequality in the United States. That is, the more unequal the state, the more often residents sought out products that enhanced their relative social standing. These findings resonate with the general tendency for

people to engage in upward (versus downward) social comparisons (Boyce et al., 2010; Ferrer-i-Carbonell, 2005), suggesting that even those who are objectively well-off can feel relatively deprived (vis-à-vis the top 1%). In short, macro-level inequality correlates positively with people's tendency to make invidious social comparisons which, in turn, correlates negatively with well-being (see also Jetten et al., 2017).

Empirical Support

To the best of our knowledge, only one study to date has tested the core features of MIREd. Osborne, Sibley, and Sengupta (2015) examined data from Time 3 (2011) of the New Zealand Attitudes and Values Study (NZAVS)—a national longitudinal panel study of New Zealand adults. Included in the survey were measures of IRD and GRD, as well as a well-being measure (i.e., self-esteem; see Rosenberg, 1965) and a measure of ethnic group identification (i.e., ethnic group centrality; see Leach et al., 2008). Information on the amount of inequality within participants' immediate neighborhood was then calculated by matching participants' home addresses with neighborhood-level data from the New Zealand census. A multi-level path analysis was then conducted in which neighborhood-level inequality predicted self-esteem and ethnic identity centrality through feelings of IRD and GRD, respectively.

As shown in Fig. 2, Osborne, Sibley, and Sengupta (2015) found that IRD (but not GRD) correlated negatively with self-esteem, whereas GRD (but not IRD) correlated positively with ethnic identity centrality, at the individual level of analysis. When examining the neighborhood-level effects, Fig. 2 also illustrates that neighborhood-level inequality correlated positively with IRD and GRD, which, in turn, correlated negatively with self-esteem and positively with ethnic identity centrality, respectively. Critically, participants' income did NOT moderate the associations that macro-level inequality had with IRD or GRD, suggesting that the amount of inequality in one's neighborhood has similar associations with both types of relative deprivation for the poor and wealthy alike. Follow-up multi-level mediation analyses confirmed that neighborhood-level inequality had an indirect effect on self-esteem and ethnic identity centrality through IRD and GRD, respectively. To the best of our knowledge, these results are the first to show that the experience of relative deprivation mediates the relationships inequality has with important real-world outcomes, thus providing preliminary support for MIREd.

Implications and Future Directions

The finding that relative, rather than absolute, differences in financial well-being lead to deleterious outcomes suggests that increasing incomes across the board (i.e., "trickle-down economics") will do little to ameliorate the dire consequences of

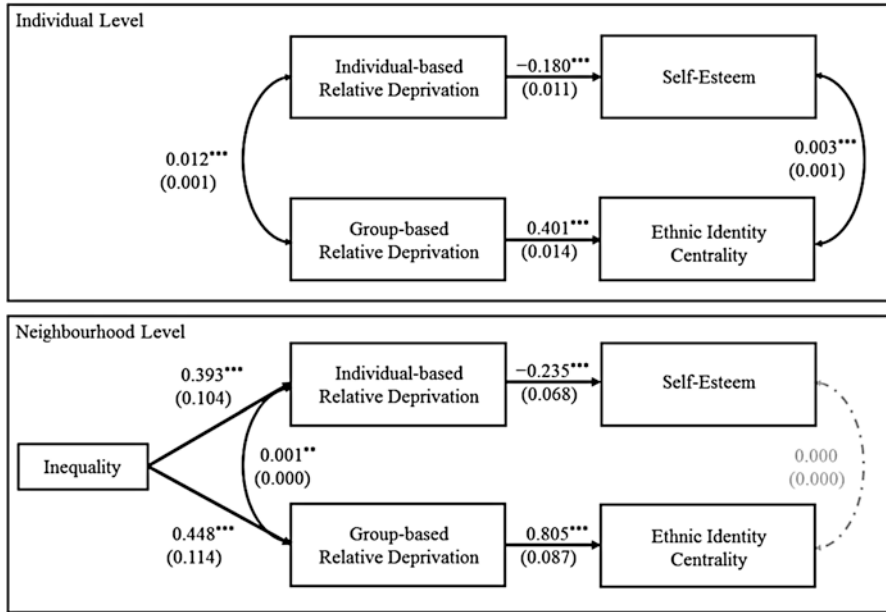


Fig. 2 Impact of inequality on self- and group-focused outcomes. (Figure adapted from Osborne, Sibley, & Sengupta, 2015). Results control for the effects of household income on individual- and group-based relative deprivation at both the individual and neighborhood levels of analysis. Fit indices for the model were as follows: $\chi^2(10) = 29.680, p = 0.001$; CFI = 0.993; RMSEA = 0.018; $SRMR_{within} = 0.010$; $SRMR_{between} = 0.104$. $^{**}p < 0.01$; $^{***}p < 0.001$

rising rates of inequality (see also Easterlin, 1995). Indeed, some evidence even suggests that increases in the wealth of a community could ironically *increase* (rather than decrease) the negative consequences of relative deprivation *if* inequality remains high (see Cheung & Lucas, 2016). Rather, the extant literature implies that the most effective way to mitigate the harmful effects of inequality on society is to redistribute resources and to limit the amount of wealth that is acquired at the top of the income ladder (see Piketty, 2003; Wilkinson & Pickett, 2010). Still, future research is needed to identify effective ways of mitigating the detrimental effects of economic inequality on health, well-being, and intergroup relations.

Another important direction for future research is to continue investigating the effects of inequality on well-being from multiple levels of analyses, perhaps by using multinational datasets (see also Osborne et al., 2019). Although there are clear benefits to examining the effects of macro-level inequality on individual-level outcomes *within* a single country (e.g., within-country variability in inequality is less likely to be confounded by differences in individualism/collectivism, gross domestic product, and culture), studies of between-country effects of inequality on health are needed to assess the generalizability of these findings to other nations. Multinational surveys that assess IRD (and GRD) could facilitate this process by enabling researchers to investigate the psychological mechanisms through which

these effects most likely occur and to better connect macro-level inequality with self- and group-focused outcomes.

Future research should also investigate the boundary conditions of the associations reviewed in this chapter. As posited by MIREd, many variables should strengthen—or attenuate—the multistage process through which inequality is likely to affect well-being. For example, countries that encourage blatant displays of wealth and inequality are likely to produce larger effects than countries where inequality is hidden from the public by residential segregation or in countries where overt displays of wealth are discouraged and looked down upon. Ideologies that justify the societal status quo are also likely to mitigate the harmful effects of inequality on individual-level outcomes (see Osborne & Sibley, 2013). Although the model presented here provides the requisite theoretical foundations upon which this work can build, future research is needed to investigate the plausible, yet untested, pathways proposed by MIREd.

Finally, research has begun to examine the effects of relative gratification—that is, the experience of being better-off than others—on some of the group-based outcomes reviewed in this chapter. Notably, being *either* relatively deprived *or* relatively advantaged can increase intergroup biases (Grofman & Muller, 1973; Guimond & Dambrun, 2002) and foster anti-immigrant sentiment (Jetten et al., 2015; Mols & Jetten, 2015). That both poverty *and* wealth can elicit intergroup hostilities has been referred to as the wealth paradox (Mols & Jetten, 2017) and suggests that the indirect effects of macro-level inequality on individual-level outcomes may be more complicated than they appear at first blush. That said, analyses of speeches from leaders of right-wing populist parties during times of economic prosperity reveal that the recent successes of these movements seem to rest on their leaders' ability to transform objective instances of relative gratification into subjective experiences of relative deprivation (Mols & Jetten, 2015). Accordingly, the effect of relative gratification and anti-immigration sentiment is mediated by the fear of being relatively deprived in the future (see Jetten et al., 2015). Although these results imply that feelings of relative deprivation underlie the nefarious effects of relative gratification on anti-immigration attitudes and intergroup biases, future research is needed to investigate the ways in which both relative deprivation and relative gratification transmit the macro-level effects of inequality onto various group-focused (and self-focused) outcomes. We are hopeful that the model presented here provides the tools needed to address these important questions.

Conclusion

The rising rates of inequality seen over the last 40 years raise a number of important social, theoretical, and applied questions, including queries about the psychological processes through which inequality affects well-being, as well as concerns about the consequences such salient inequities have for society. We addressed these topics here by proposing a new model of inequality and well-being (namely, MIREd).

According to MIREd, inequality negatively affects well-being by increasing the salience of IRD. Because inequality also facilitates critical intergroup comparisons, inequality may simultaneously elicit GRD. In turn, IRD and GRD correlate with key self- and group-focused outcomes, respectively. Structural and ideological features of society are likely to moderate the sequential stages of these predicted pathways—hypotheses that require future research to investigate. By integrating the literature on the effects of objective inequality with relative deprivation theory, we can better understand the psychological processes underlying the harmful effects of inequality on well-being, as well as the implications the increasing size of the income gap has on both our health and intergroup relations.

To return to our epigraph, much can be learned from the preacher’s explanation for why someone with “a million acres” of land may still “feel awful poor” at the height of the Great Depression. Although objective experiences with inequality matter, our psychological interpretation of these experiences matter most. Accordingly, in a context of high levels of inequality, people are likely to make invidious social comparisons and feel deprived relative to those who are better-off. Thus, despite having an abundance of resources, invidious social comparisons that give rise to relative deprivation may fail to make the wealthy “feel rich” in a highly unequal society. Indeed, as we have shown here, both the poor and the rich suffer from the harmful effects of inequality. We hope that understanding this important insight helps to motivate others to strive for a more equitable and just distribution of resources. As Steinbeck’s (1939/1968) captivating novel *The Grapes of Wrath* illustrates, the consequences of doing nothing to reduce inequality can be a matter of life and death.

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Status Stress: Explaining Defensiveness to the Resolution of Social Inequality in Members of Dominant Groups



Daan Scheepers and Naomi Ellemers

Social Inequality and Status Stress

One of the key moral values endorsed by people across different cultures and contexts is the importance of justice and fairness (e.g., Haidt, 2012). Yet inequality between individuals and groups in society persists. In fact, there is evidence that differences in access to important resources—those that affect a range of important life outcomes such as psychological well-being, physical health, and opportunities for work and education—are increasing rather than becoming smaller (see Ellemers, Derks, van Nunspeet, Scheepers, & van der Toorn, 2017). If people generally strive for fair and equal outcomes, why is it so difficult to reduce existing social inequalities? In this chapter, we address a key factor that plays a role in explaining this, namely, the (physical manifestations of) *status stress*, that prospects of social change elicit among members of high-status or otherwise privileged groups in society.

Social Rank and Stress

Social inequality is an important source of stress for those lower in social status. Being low in social rank and lacking control over important life outcomes are associated with a range of adverse consequences and can damage physical and

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psychological health (e.g., Clark, Anderson, Clark, & Williams, 1999; Sapolsky, 2004, 2005). Moreover, the negative stereotypes associated with individuals and groups that occupy lower ranks in society can cause them to be considered as lesser humans (e.g., Harris & Fiske, 2006; see also Augoustinos & Callaghan, chapter “[The Language of Social Inequality](#)”; Fiske & Durante, chapter “[Mutual Status Stereotypes Maintain Inequality](#)”). This induces feelings of social exclusion and lack of social support that are stressful in themselves but also undermines motivation and distracts from task performance in work and educational settings, making it more difficult to improve their plight (e.g., Derks, Van Laar, & Ellemers, 2007).

Compared to those lower in rank, those higher in rank may seem to live a relatively stress-free life. They typically have easy access to important material resources (jobs, housing, healthcare) and have more control over their own and other people’s outcomes. But do these benefits really prevent them from experiencing stress? High expectations held by themselves and others around them, and long-term financial commitments that need to be met (e.g., to educate their children, to be able live in an attractive neighborhood, and to maintain a certain lifestyle), can also be a source of stress. This is the case, for instance, among financial professionals who are continually reminded of the possibility that they can be made redundant and lose their job suddenly and unexpectedly (Ho, 2009). Considering the possibility that they will have to give up their house, put their children in a less prestigious school, or being made aware that others envy their good fortune and might rejoice in their downfall are all disconcerting and potentially stressful thoughts, even for those who are objectively well-off.

Indeed, members of dominant groups that clearly have positions of relative dominance and privilege in society (e.g., White men) can respond quite defensively to measures meant to benefit others, for instance, relating to the arrival of migrants in their country or to the introduction of affirmative action programs for minorities in their companies (e.g., Dover, Major, & Kaiser, 2016). Yet, the support of those who currently hold positions of privilege can be crucial for noting and challenging unequal treatment and social disadvantage in society (Cihangir, Barreto, & Ellemers, 2014; Drury & Kaiser, 2014).

In this chapter, we focus on the relationship between social inequality (indicated by differences in group-based power and status) and physical stress (see Fig. 1). We consider physical stress in terms of cardiovascular patterns indicating positive “challenge” vs. negative “threat” motivational states. We focus in particular on the status stress experienced by members of privileged (higher status/power) groups (see also Jetten, Mols, Healy, & Spears, 2017), complementing prior analyses that mainly focused on the experience of those who belong to disadvantaged groups (e.g., Ellemers & Van Laar, 2010). We argue that this status stress is an important factor in the resistance these individuals may show against attempts at achieving greater equality. We identify factors that contribute to the emergence of such stress and examine its behavioral implications. Finally, we consider how insights into the conditions that raise status stress and the nature of the stress experienced can be recruited to prevent and address defensive responses against changes aiming to achieve greater social equality, such as resisting the introduction of affirmative action policies in the workplace (Dover et al., 2016; Faniko, Ellemers, Derks, & Lorenzi-Cioldi, 2017).

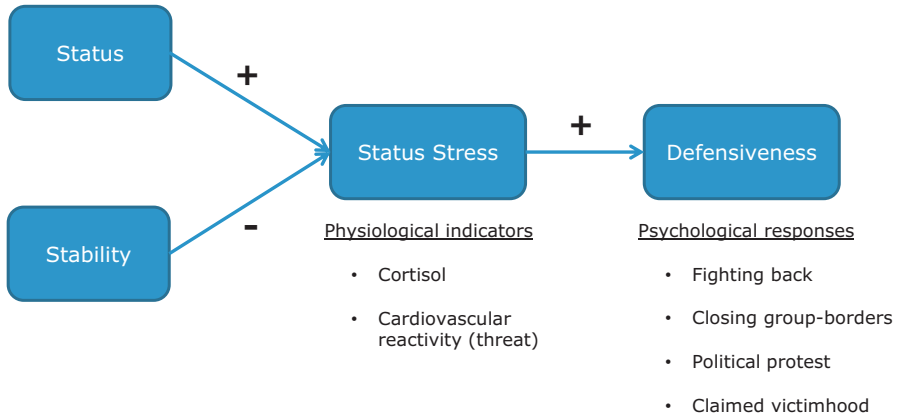


Fig. 1 Theoretical model outlining the emergence of status stress, its physiological markers, and psychological and behavioral consequences

Theoretical Background

Frames of Reference

Current examinations of how people respond to social inequality resonate with a long-standing tradition of scholarship in the social sciences. In fact, this is a key area where theoretical and empirical insights from political sciences (on origins of collective action), economics (on definitions of equity), and sociology (on differences between groups in society) have been connected to those of psychology—by specifying mechanisms of social comparison, feelings of relative deprivation, and legitimacy concerns that relate to the satisfaction, well-being, and motivation of individuals living in these societies. The analysis of societal-level outcomes by invoking individual-level perceptions and experiences can be achieved by employing social identity theory as a focal lens that helps us to understand how individuals experience and respond to broader patterns of inequality between groups in society (Tajfel, 1974, 1978; Tajfel & Turner, 1979; see also Ellemers, 1993). This perspective elucidates in particular how *developments over time* and *perceived changes* in current material and social outcomes (education, healthcare, housing, employment) impact on the emergence of threat. It also explains why such changes can elicit defensive responses typically expressed by members of dominant and subordinate groups in society.

In our analysis, we go beyond objective differences in societal or economic outcomes. Notwithstanding the degree to which social inequality actually exists, and independently of the actual favorability of one’s position in terms of material wealth or employment status, the approach we take emphasizes the importance of *subjective* experiences. We address changes in evaluations of current outcomes, depending on how these *compare* to the outcomes of others and how they relate to past experi-

ences and future prospects (see also Festinger, 1954). This analysis draws on, and combines insights from, different theoretical perspectives that have addressed such issues (relative deprivation theory, Martin, 1981; social identity theory, Tajfel & Turner, 1979; system justification theory, Jost & Van der Toorn, 2012). The common thread connecting these perspectives is that they all focus on the importance of *subjective* experiences instead of objective outcome differences. As a result, the experience of well-being, satisfaction with current outcomes, motivation to change, and strategies employed to achieve such change is seen to depend on the *frame of reference* people use to assess their current outcomes. The key to understanding how people respond to the social situation they are in hence requires an assessment of their subjective perceptions in terms of (a) how their outcomes compare to those of relevant others and whether this seems legitimate, (b) how current outcomes relate to past outcomes, and (c) what future developments are envisioned (Levine & Moreland, 1987). We will now elaborate on these different types of comparisons and consider how this helps to explain the way people respond to societal inequality.

Social Comparisons: Looking Up and Looking Down

When people think of the job they have, the house they live in, or the lifestyle they can afford, there is no objective standard to determine how well or badly they are doing. Instead, people typically talk to others outside their group (e.g., colleagues at other companies) to assess whether conditions are more favorable elsewhere. Visits to friends or relatives unwittingly make them aware of different housing options that may be available, and lifestyle choices of neighbors reveal which cars they might drive or which schools their children might attend. The fact that those we encounter and compare to have this impact on how we perceive our own outcomes also explains why some people are quite satisfied with a dull and mediocre job, or a modest income, while others never seem satisfied, however much acclaim or wealth they acquire. Some people who do not have much can still be happy when they realize they earn more than former classmates who received similar training or left school without a degree. Others, who realize they cannot afford to buy their own house, might accept this when they note that they live in a better area than where they grew up as kids and at least were able to improve their housing situation over time. Unfortunately, similar mechanisms may cause those who are objectively well-off to be dissatisfied with their outcomes. Noting that family members, neighbors, or study friends drive more expensive cars, visit more exotic holiday destinations, or can afford to send their children to a better school can be an important source of frustration, even for those who are objectively wealthy and privileged (see also Brown-Iannuzzi & McKee, chapter “[Economic Inequality and Risk-Taking Behaviors](#)”; Walasek & Brown, chapter “[Income Inequality and Social Status: The Social Rank and Material Rank Hypotheses](#)”; Wang, Jetten, & Steffens, chapter “[Do People Want More Wealth and Status in Unequal Societies?](#)”).

These patterns of social comparison, the comparison targets people tend to choose, and the typical outcomes of such comparisons have been described in considerable detail (for overviews, see Dion, 1986; Smith, Pettigrew, Pippin, & Bialosiewicz, 2012; Walker & Pettigrew, 1984). This work shows that the tendency to compare one's outcomes to those of others not only emerges at the individual level. Instead, people often compare the outcomes of the groups they belong to (e.g., their social class, their religious group, or their professional group) to those of other groups to assess their position in society (e.g., Guimond & Dubé-Simard, 1983). Further, this work shows that the typical tendency is for people to compare their outcomes to those who are (slightly) better off than they are ("upward comparison"). While this may motivate them to improve their own situation, as indicated above, focusing on the ways in which others are better off can also be a cause of dissatisfaction and frustration. Comparing one's outcomes with those who are worse off ("downward comparison") may temporarily raise feelings of gratitude for one's own superior outcomes. However, research suggests that such downward comparisons are less common and emerge in conditions that make salient the prospect that one's own situation is likely to deteriorate in the future. In fact, the tendency to consider those who are worse off has been documented primarily as a coping response in situations where people have little or no control over their own outcomes (e.g., in cancer patients).

Stability and Change: Looking Back Versus Looking Forward

Even when, objectively speaking, societal outcomes of oneself or one's group, for example, in terms of income or housing, are reasonably favorable, this state can nevertheless be associated with dissatisfaction when others are seen to be improving at a higher or faster rate. This is the case, for instance, when factory workers receive a percentage pay increase, while management bonuses are doubled or tripled (see Peters, Fonseca, Haslam, Steffens, & Quiggin, chapter "Fat Cats and Thin Followers: Excessive CEO Pay May Reduce Ability to Lead"). Dissatisfaction can also arise when members of groups that are currently well-off feel that the improving prospects of other groups imply that they are losing their own position of privilege in society (e.g., migrants gaining access to higher education or attractive housing). It has been argued that this is one of the reasons why White heterosexual males may be reluctant to embrace diversity-enhancing initiatives in organizations (Dover et al., 2016).

Here too, the nature of the groups under consideration and the way these groups relate to each other are likely to influence the comparisons that people typically make and how they feel as a result. In some cases, differences between social groups appear quite fixed and secure, for instance, because they are anchored in religious birthrights (Cohen priesthood among Jews) or legal rights (royal or noble titles, inheritance of industrial estates). Even though this ties key opportunities and social outcomes of individuals to their group membership, instead of their actual merit,

this does not preclude that outcome differentials appear legitimate and just (Ellemers & Van Laar, 2010). The very fact that differences in social rank seem highly stable and legitimate makes it difficult to envision that alternative arrangements might be possible in the future and discourage people from comparing themselves with members of other groups (Wang et al., chapter “[Do People Want More Wealth and Status in Unequal Societies?](#)”). In fact, it is common for those who are advantaged as well as those who are disadvantaged to accept the legitimacy of existing status differentials, and people mostly consider outcome differences as fair and just, as long as they seem stable (Jost, Banaji, & Nosek, 2004; Jost & Van der Toorn, 2012).

This all starts to shift when existing differences are subject to change. The mere prospect that the outcomes of individuals and groups might also be different raises “cognitive alternatives” to the status quo (Folger, 1987; Tajfel, 1978; Tajfel & Turner, 1979). When status or power relations in society start to change, this raises the question of whether current outcomes are *legitimate* in that they accurately reflect the different needs or deservingness of individuals and groups involved. The very fact that existing status relations appear subject to change can undermine their perceived legitimacy and elicit protest and collective action on the part of disadvantaged groups in society (Ellemers, 1993). At the same time, this threatens those who currently have high power or status, as they are faced with the prospect of losing their current privilege.

Previous analyses of changing status relations have mainly addressed *cognitive* and strategic aspects of contemplating stable vs. changing outcome differentials (Ellemers, 1993; Scheepers, Spears, Doosje, & Manstead, 2006). These analyses have mainly considered how those who are socially disadvantaged seek position improvement by transferring to groups with higher status in society or by emancipating as a group. We extend existing insights by addressing the *physiological* and *emotional* implications such efforts to achieve change may have. In doing this, we focus on those who see that their position of privilege is eroding—because other individuals or groups start gaining access to similar outcomes. Specifically, we address the threat of social change among those high in status and refer to this as “status stress.” In the next section, we discuss the biological basis of this form of stress.

Physical Manifestations of Status Stress

Over the last decades, compelling evidence has been obtained for the neurophysiological basis of status stress (see Table 1). Converging findings have been observed among different type of primates, in interpersonal as well as inter-group contexts, whether rank was based on power (asymmetrical control of important resources or outcomes) or status (societal prestige). In the review that follows, we start by considering status stress due to shifting power relations in groups of baboons. We then

Table 1 Evidence for the status stress hypothesis among different types of species, hierarchy, and rank

Species	Hierarchy based on	Rank based on	Main findings	Source
Animal studies	Intra-group context	Power	Diverse sources of instability within different type of primate groups lead to neuroendocrine (e.g., cortisol) response among those high in rank	Sapolsky (2004, 2005)
Human	Interpersonal context	Power	Unstable dyadic task situations are stressful for the high-power person (cardiovascular threat/cortisol response)	Knight and Mehta (2017) Scheepers et al. (2015)
Human	Inter-group context	Status	Unstable or illegitimate group status is threatening for high-status group members (cardiovascular threat response) Stronger for high group identifiers	Scheepers and Ellemers (2005) Scheepers (2009, 2017)
Human	Social categories	Status/power	Cues about changing gender and ethnic status relations within society are threatening for White men (cardiovascular threat response)	Dover et al. (2016) Scheepers et al. (2009)

move on to consider the physiological basis of status stress in more complex human social systems involving conceptions of status, identity, and inter-group relations.

Animal Studies

Early insights in the relation between hierarchy stability and stress can be found in the seminal work by Robert Sapolsky on power dynamics in primate groups (Sapolsky, 1992; see Sapolsky, 2004, 2005, for overviews). In one study, Sapolsky (1992) observed dominance interactions within a group of olive baboons. After paralyzing the baboons, blood samples were collected from which cortisol levels were derived. Results indicated that as male baboons were more often challenged by other males who were close but lower in rank, they had higher levels of cortisol. Similar effects have been found in other groups of primates, and for different forms of rank (in)stability, for example, due to animals leaving or entering the group or when a new group is formed. The typical finding here is that when ranks are stable, most stress is found among those low in rank, while when ranks are unstable, stress is highest among those high in rank (Sapolsky, 2004). The former finding is consistent with prior work that has pointed to the ways in which low societal status impacts on well-being and health (Clark et al., 1999; Sapolsky, 2005). In addition, these studies suggest that, under some conditions, those high in rank can also reveal indications of stress. This is most clearly visible under conditions that make the hierarchy less stable.

Human Intra-group Contexts

Recent studies show results similar to those of primate studies in human hierarchies (Jordan, Sivanathan, & Galinsky, 2011; Knight & Mehta, 2017; Scheepers, Röell, & Ellemers, 2015). For instance, in a study using a classic paradigm in the power literature (e.g., Galinsky, Gruenfeld, & Magee, 2003), participants worked on dyadic tasks in which one was assigned a high-power role (e.g., “manager”) and another person was given a low-power role (e.g., “assistant”). The manager instructed the assistant, evaluated his/her performance, and decided about the allocation of a possible monetary bonus between the two of them. Stability was manipulated in terms of whether or not the power roles would change in the course of the session. In line with the primate studies, those low in power revealed higher cortisol reactivity when the positions were stable, but those high in power had higher levels of cortisol when the positions were unstable (Knight & Mehta, 2017).

Moreover, there is evidence that sustained high levels of cortisol negatively impact one’s health and, hence, cortisol is generally seen as a marker for “negative stress.” In addition to neuroendocrine markers like cortisol, cardiovascular responses can also be used to measure stress. By combining certain cardiovascular measures, it becomes possible to differentiate negative stress (threat) from “positive stress” (challenge), and shifting ranks may impact on cardiovascular challenge and threat responses.

On the basis of the biopsychosocial model (Blascovich & Mendes, 2010; Blascovich & Tomaka, 1996; Seery, 2013), Scheepers et al. (2015) applied cardiovascular measures indicative of threat and challenge to test the status stress hypothesis. A state of threat is marked by relatively high vascular resistance coupled with low cardiac output; it is a defensive response to a demanding situation, aimed at protecting bodily resources and conserving energy. The threat pattern is driven by the HPA axis, of which cortisol is the end product (see above). It is generally considered a maladaptive pattern in the sense that it inhibits effective task responses and is associated with adverse health outcomes over time. Challenge, by contrast, is marked by low vascular resistance and high cardiac output, which functions to mobilize and transport energy to, among others, the muscles and brain. This allows the individual to take charge of the situation and to actively address and deal with the demand encountered. Thus, the challenge pattern represents a more benign arousal pattern, which is typically predictive of positive performance outcomes.

In the Scheepers et al. (2015) study, when their position was stable, participants in a high-power condition showed a cardiovascular response pattern indicative of positive challenge, as might be expected for those in power. However, when their position was unstable, they revealed a cardiovascular response pattern indicative of negative threat. Participants in the low-power condition revealed the complementary result pattern. In view of their low-power position, they might be expected to show negative stress across the board. However, this was not what was observed. Instead, when their low-power position was stable, their cardiovascular response pattern was indicative of threat. However, their cardiovascular responses indicated challenge when their position was unstable.

Together, these studies suggest that similar processes characterize responses to inequality in primate and human hierarchies. This underlines the generic nature of these effects and a shared evolutionary basis. At the same time, however, modern human social hierarchies differ in important ways from primate communities, for instance, in terms of the sheer number of individuals involved, the scope and foundations of differences in social rank, and the complexity of implications stemming from multiple partially overlapping hierarchies. For instance, the studies reviewed so far focused on inequality in terms of power, that is, the capacity to directly influence important outcomes (e.g., food, money), of oneself and others in the situation. By contrast, modern human hierarchies are often based on more symbolic indicators of inequality captured in social status, that is, the more general social value that is ascribed to a person or a group. Second, the studies discussed so far focused on inequality between individuals in interpersonal (or intra-group) hierarchies, while outcome inequalities in modern human hierarchies are often based on *inter*-group comparisons derived from broad social categories such as gender or ethnicity (e.g., “angry White men”). Third, in modern human social hierarchies, cues about the security of the hierarchy and the stability of unequal outcomes are not always explicitly evidenced in overt behaviors, like dominance interactions. Instead, they tend to be derived from more abstract psychological concepts, such as the *legitimacy* of inter-group status differences that determine unequal access to important social resources and outcomes. In the next sections, we consider different features of modern human hierarchies (inter-group relations, status, identity, legitimacy) that relate to emergence and persistence of social inequalities. We provide physiological evidence for operation and impact of status stress in these contexts and show that this even emerges when the implications of one’s position in the social rank are mainly symbolic.

Human Inter-group Contexts

In an early study on this topic, Scheepers and Ellemers (2005) examined how individuals responded when they were led to believe that their access to important outcomes (in this case social prestige) depended on the task performance of their social group. This was indicated by assessing the influence of status differences between groups on blood pressure of individual group members. Participants were allocated to ad hoc groups (“minimal groups”), after which they completed a group task—they were led to believe that their group’s performance on this task represented an important (social) outcome. Group status was manipulated by providing group-level performance feedback on this task. Directly after receiving the group status feedback, blood pressure was higher for participants who thought their group had performed less well than the other group, compared to participants who had been told their group had outperformed the other group. This indicates the stress experienced by individuals whose group is being placed in a lower rank. However, after a second round of the status-defining task was announced unexpectedly, members of the

high-status group revealed higher blood pressure than members of the low-status group. This effect would be consistent with the possibility that the group would not be able to keep up its superior performance during the second round of the task (indicating status instability). These effects on blood pressure were particularly strong for participants who identified strongly with their group. This underlines the symbolic and group-based origin of the blood pressure changes observed and suggests that the experience of stress does not depend on the actual access to material resources but also reflects the operation of more abstract concerns, relating to the individual's sense of social identity.

Further evidence for the status stress hypothesis followed from studies using more direct manipulations of group status stability (akin to the studies on interpersonal power differences) and using more specific cardiovascular measures of challenge and threat motivational states (Scheepers, 2009, 2017). Findings of these studies were in line with the evidence found in studies exploring interpersonal differences in power and prospective changes in individual rank (Knight & Mehta, 2017; Scheepers et al., 2015). That is, stable differences in group status elicited threat among individual members of the low-status groups but induced challenge among individuals whose group had high status. By contrast, unstable group status differences induced challenge among the members of the low-status groups and raised threat among the members of the high-status group (Scheepers, 2009).

Similar effects were found in a study where we compared the impact of secure vs. insecure status hierarchies, by inducing the conviction that current outcome differences between groups were legitimate or illegitimate (see also Outten, Lee, Costa-Lopes, Schmitt, & Vala, 2018). As explained above, appraising status differences as legitimate bolsters the status quo, while the perception that current status differences are illegitimate enhances the salience of "cognitive alternatives" for the status quo and raises claims for social change among members of underprivileged groups, which generally undermine the security of the hierarchy (Tajfel & Turner, 1979). In an experimentally created group setting, Scheepers (2017) examined the influence of legitimacy claims on challenge and threat in low- and high-status groups. Participants were placed in a group, performed a joint task, and received feedback about their group's performance on a task that required both accuracy and speed. Then, participants were confronted with a message by an in-group member claiming that the rated group performance differences were (un)fair, as these did (not) reflect the group's actual performance due to the way in which accuracy and speed components had been weighed in determining their total score. Results indicated that members of the high-status group were more threatened when status differences seemed unfair than when they thought their group's superior performance had been determined fairly.

Thus, empirical evidence clearly reveals that status stress can emerge among those who, objectively speaking, have more favorable outcomes than others. Further, results from different studies show similar patterns regardless of whether social inequalities reflect inter-group differences, or symbolic social identities, and regard-

less of whether cues of hierarchy security are based on prospects for future change or on legitimacy appraisals of current outcome differentials. In the next section, we address existing outcome inequalities between members of different groups in society and examine neurophysiological evidence for the emergence of status stress among those who are relatively well-off.

Social Categories

Large-scale societal changes, due to, for example, migration or changing gender roles, can also elicit status stress among those for whom this may imply a loss of privileged access to favorable outcomes. This was observed in a study (Scheepers, Ellemers, & Sintemaartensdijk, 2009) where male and female participants discussed *traditional* versus *changing* gender roles in society. During the debate about traditional gender roles, women had slightly higher blood pressure than males. This is again in line with the idea that reflecting on the status quo generally is threatening for members of the subordinate group. There was, however, a much stronger difference in responsiveness of men and women to the prospect of *changing* gender roles. During the debate about change, men had higher blood pressure than women, suggesting that reflecting on changes in the status quo is more threatening for members of the dominant group.

Similar effects have been found in an experiment by Dover et al. (2016), who engaged research participants in a simulated job interview for a company. Two conditions were compared: In the pro-diversity condition, participants learned that the company the participant was ostensibly applying for valued diversity. In the neutral condition, no such information was given. Results showed that White male participants in the pro-diversity condition showed cardiovascular reactivity in line with threat, while those in the neutral condition showed a tendency toward challenge.

In summary, our review of empirical studies provides compelling evidence that societal inequality can be as stressful for those who are currently privileged as for those who are deprived of desirable outcomes. We revealed that status stress can emerge when considering the possible loss of privilege and that similar responses were observed regardless of whether we considered unequal outcomes and positions in social rank among individuals in different primate groups, in intra-group comparisons or when considering inter-group differences in access to important outcomes. Comparable effects were observed regardless of whether unequal outcomes reflected differences in power or status and regardless of whether the security of existing outcomes was based on information about the stability of future status relations or the legitimacy of current differences. Now that we have argued and shown that those who are privileged can and do experience physiological stress, it is important to consider the likely psychological and behavioral *implications* of such stress experiences.

Psychological Responses to Status Stress: Defensiveness

The physiological stress profile considered here is relevant to understand people's responses to social inequality and resistance against attempts to distribute social outcomes more fairly. Indeed, the experience of such stress has been associated with behaviors indicating defensiveness and rigidity that generally prevents change, for instance, by holding on to one's initial viewpoints (De Wit, Scheepers, & Jehn, 2012). In the context of status stress, we argue the typical pattern indicates a desire of those who are privileged to protect the status quo instead of welcoming attempts at reducing social inequality and creating greater fairness.

An obvious response among members of high-status groups who feel threatened in their status by low-status group members is to "strike back" by developing *negative attitudes and behavioral tendencies* toward members of the low-status group. Meta-analytic evidence indeed reveals a relation between the experience of threat on the one hand and prejudice and discrimination on the other, especially toward lower-status groups (Riek, Mania, & Gaertner, 2006). The concrete implications of such a response pattern were illustrated in a study where male participants were confronted with an ambitious feminist woman—who challenged the fact that men still have more access to desired (career and financial) outcomes than women. Compared to those who were not subjected to such threat, threatened males were more likely to retaliate, in this case by sending pornographic material via the Internet to women (Maass, Cadinu, Guarnieri, & Grasselli, 2003). Another illustration comes from a study on native Dutch shop owners who were confronted with an increase of immigrant entrepreneurs in their neighborhood (Ellemers & Bos, 1998). The native Dutch shop owners responded to this threat by discrediting these immigrants and negatively stereotyping them as being selfish and lazy. Studies such as these reveal the different ways in which movements toward greater social equality can induce status stress and foster stereotyping and prejudice.

Another defensive response to status threat that has been documented in research is the tendency to prevent other individuals from gaining access to coveted outcomes by *keeping group boundaries closed*. Importantly, this not only implies closing real, physical group borders (e.g., building fences to stop migration) but also psychological borders, in terms of who is, and who is not, considered to be an in-group member. This was observed, for instance, in a study by Cooley, Brown-Iannuzzi, Brown, and Polikoff (2017). They found that White Americans used stricter criteria to determine who might be included in their group when they were more concerned about changing relations between Whites and Blacks in the USA. That is, White Americans were more inclined to categorize Black-White biracial people as Black as they reported more fear of a shift in the current racial hierarchy.

Status stress among (male) White middle-class workers was also cited as a factor explaining support for Trump during the 2016 US elections. The "fear of cultural displacement" was found to be a stronger predictor for support for Trump's anti-migration policies than economic factors (Jones, Cox, & Lienesch, 2017; Mutz,

2018). The role of status stress in the support of such *political views* was further examined by Major, Blodorn, and Major Blascovich (2018). The experimental procedure they developed revealed that White participants were most likely to report status threat and support Trump's anti-migration plans when they strongly identified with being White and had been led to believe that their racial group would become a minority in the USA.

Defensive responding by those who experience threat as a result of the prospect of losing their position of privilege can also lead members of high-status groups to see others as being prejudiced against their own group (Wilkins, Hirsch, Kaiser, & Inkles, 2017; Wilkins & Kaiser, 2014). This was demonstrated, for instance, in a study where ethnic majority group members who endorsed the fairness of the current system were more likely to anticipate that their own racial group would be the victim of prejudice due to societal progress of ethnic minorities in the USA (Wilkins & Kaiser, 2014). Diversity policies in organizations can have similar effects: White men were more concerned about discrimination against their group when they applied for a job in a company that explicitly valued diversity than when they applied in a company that did not explicitly value diversity (Dover et al., 2016). *Claiming victimhood* in this way clearly has a defensive function: When racial progress of minority group members was made salient, ethnic majority group members who attributed their negative outcomes to prejudice also reported higher self-esteem (Wilkins et al., 2017). Thus, such claims of victimhood can help members of dominant groups cope with status stress, but alleviating concerns about loss of privilege in this way also frustrates legitimate attempts to resolve social inequalities.

Consequences for Interventions

In the above, we have identified the antecedents of stress experienced by those who hold higher ranks in society and reviewed studies revealing the nature of the physical stress response as well as its behavioral implications. We will now apply these insights to consider strategies that are often used to mitigate defensive responses to attempts at alleviating social inequality. We will identify limitations of common approaches at the system level, the group level, and the individual level and offer suggestions for alternative interventions that take account of current insights on the emergence and implications of status stress.

Why Fairness Appeals May Backfire

A first strategy that is often employed in the hope of avoiding the emergence of threat is to emphasize that efforts to improve the situation of disadvantaged groups in society do not necessarily result in a loss of privilege for those who are currently advantaged. In fact, this is often cited by economists as a reason for supporting

policy measures aiming for general GBP increases and ongoing economic development (see also Ellemers et al., 2017). However, the evidence reviewed above clarifies why it may not be sufficient to simply appeal to fairness concerns when attempting to redress existing inequalities in the access members of different ethnic or gender groups have to key societal resources such as education, housing, or employment. Rationally, it would seem that there is little reason to experience threat in a growth scenario where everyone benefits. However, the psychological theory and research reviewed here clarify why this is not necessarily true. Subjective frames of reference, feelings of relative deprivation, and emotional responses to change prospects all have been shown to elicit stress and defensive responses, even among those who are objectively well-off (e.g., Ellemers, Scheepers, & Popa, 2010). Further, it is simply not realistic to strive for ever-extending economic growth or to continue increasing the income, consumption, material gain, and control over resources for all members of society, if only due to environmental and sustainability limitations.

A second recurring strategy to curb status stress is to emphasize that social inequalities only emerge as a result of legitimate individual-level differences, for instance, in abilities, efforts, and life choices made. This rhetoric of “the American Dream” suggests that individual opportunities are not delimited by group-based identities and that all group boundaries can be transgressed if only individuals are sufficiently deserving (Ellemers & Van Laar, 2010). However, there is plenty of evidence showing that such individual mobility ideologies do not explain differential outcomes in society. Instead, implicit bias, differences in access to resources, social networks, and development opportunities that are tied to gender, ethnicity, class, or religion all contribute to the allocation of valued outcomes on the basis of social group memberships regardless of individual merit (e.g., DiTomaso, 2013). Yet, this strategy of advocating individual mobility as the best way to address unequal outcomes (“we prefer to consider individual quality, not ethnicity”) is often used by policy makers to reinforce the perceived legitimacy and stability of existing merit systems and the access these offer to social opportunities. Indeed, this way of thinking taps into just world beliefs that are shared by those who benefit as well as those who suffer from such perceptions. Yet, we argue that it is not a viable strategy to simply ignore group-based sources of privilege and disadvantage, in attempts to address social inequality. This will inevitably result in—violent—protest in the long run, and the awareness that this eventually will be the case can only reinforce feelings of stress and resistance to change among the privileged.

A final strategy that is often advocated to prevent defensive responses against efforts to combat social inequality involves simply urging those who are currently well-off to “stop whining.” However, this strategy is ineffective as it denies the emotional and physical reality of the stress experience suffered by those who fear to lose their privileged position. Legitimate concerns people may have about losing the fruits of their hard work, or being unable to transfer their social standing and wealth to their offspring, should not be dismissed as “first world problems,” nor are people helped by recommendations to think of others who are worse off or by counting their blessings. As we have explained above, activating such comparisons and

frames of reference may even intensify the experience of stress as these make people hyper-aware of what they stand to lose. Even those who agree at a cognitive level that it is important to strive for a fairer distribution of societal outcomes or wealth are not protected from the uncertainty and stress raised by considering alternative societal arrangements to the status quo.

Acknowledging the Experience of Threat

Considering these common strategies and their limitations makes clear that a different approach might be needed to more effectively reform existing systems that perpetuate social inequalities. On the one hand, it is necessary to convince people that current differences in societal outcomes not only reflect individual merit. This is often attempted by presenting statistics about unequal representations of different ethnic groups in education or health statistics or showing research evidence of implicit bias. However, individuals who experience threat may not be able to fully engage with or process such information—hence they remain unconvinced of the shortcomings of current merit assessments and see no need to change existing systems for selecting individual students, workers, or housing occupants. Indeed, physiological threat responses have been related to increased close-mindedness (De Wit et al., 2012). This has a number of important implications for successful interventions and requires that the involuntary and physical nature of the stress experienced is taken into account, as well as the ways these limit people's ability to take note of information that is presented to them or to follow through on their deliberate intentions to treat others fairly. This implies that even if the *threat* of impending social change cannot be alleviated, it may still be worthwhile to help people develop more effective strategies or offer them better resources to help them cope with the *stress* this raises. In doing this, it is important to acknowledge that a process of acceptance is involved in which those who are about to lose current privileges gradually come to realize that change is inevitable and the cherished past cannot be retained. Some concrete strategies have been demonstrated to show promise in achieving these things.

1. *Reducing the stress experienced.* Successful strategies to reduce social inequality should aim to address and reduce the experience of stress among members of high-status groups as an important first step in making them more supportive of social change. This may be achieved, for instance, by explicitly delimiting the extent of the impending change (to avoid concerns about “what’s next?”) or reassuring members of dominant groups of current outcomes that can be retained. Current attempts to help alleviate social inequality tend to focus on communicating the expected gains for those who are currently disadvantaged. In doing this, they often fail to address legitimate concerns about where changes will stop, making those who are currently advantaged insecure and focusing their efforts on maintaining their current privilege. Research suggests that communicating

more explicitly about measures taken to secure current outcomes (e.g., by offering long-term employment security) alleviates the perceived instability of the status quo and elicits more constructive responses toward newcomers among those who are advantaged (Rink & Ellemers, 2014).

2. *Supporting coping abilities.* In view of their dominant position, it is easy to forget that the prospect of having to redefine their place in society may seem daunting to those who are currently privileged. The benefits that helped them achieve their current standing (valued skills, useful networks) may no longer be relevant in the future, and this makes it difficult to envision how they can prove their worth in a system that is defined along different parameters. Even when it is not possible to reduce the stress they experience as a result, they may be supported by better engaging with the challenges they face. As we have shown above, the social hierarchies that are subject to change not only determine material outcomes but also have symbolic implications for people's sense of worth and identity. Accordingly, it has been observed that concerns raised (e.g., due to the influx of migrants) focus on the loss of important *values*, even if resources remain intact. Further, the group-level nature of impending changes also implies that concerns relate to people's *social* reputations in the eyes of other in-group members as much as to their individual self-views. Hence, it is relevant to know that helping people to affirm individual- and group-level values and providing them with alternative sources of self-worth (e.g., striving to achieve societal ideals instead of pursuing more material wealth) can alleviate stress and induces positive engagement with task at hand, instead of raising defensive responses (Derks, Scheepers, Van Laar, & Ellemers, 2011). Additional studies reveal that offering concrete opportunities to improve the image of the self or the in-group in the eyes of others may also help avoid defensive responses and increase perceived coping abilities (Van der Lee, Ellemers, & Scheepers, 2016; Van der Toorn, Ellemers, & Doosje, 2015). Further, communicating explicitly about fairness of procedures and opportunities for voice can also help people cope with the prospect of decreasing outcomes (Ståhl, Vermunt, & Ellemers, 2008).
3. *Focusing on future gains.* Our analysis has revealed that future prospects instead of current outcomes are a key source of status stress. Yet, it is common that attempts to resolve social inequalities rely on the assumption that people will spontaneously realize that the proposed changes should offer more equal opportunities for all, and they should therefore embrace them. In view of the impact physiological stress has on rigidity and close-mindedness (De Wit et al., 2012), it is unlikely that people spontaneously show an interest and engage with information provided, draw "obvious" conclusions, or focus on the societal gains instead of the personal losses associated with impending changes. Hence, it may be useful to find ways to help people focus on the broader concerns or to more explicitly point out the moral gains for them of contributing to the reduction of social inequality (see also Ellemers, 2017). Likewise, instead of focusing on the disruptive nature of impending changes (e.g., less clear division of roles in dual-earner couples), it may help to emphasize elements of the current situation that are likely to be retained or even improved. This may be achieved, for instance,

by facilitating the adoption of a new and more complex sense of self in which multiple identities can co-exist (caring for the family by providing income as well as being an involved parent; see also Scheepers, Saguy, Dovidio, & Gaertner, 2014).

4. *Expanding the range of valued outcomes.* The tendency to focus on material outcomes as the key indicator of social status is endorsed most forcibly by those who compare favorably to others on this dimension—members of the rich elite (Wang et al., chapter “[Do People Want More Wealth and Status in Unequal Societies?](#)”). However, members of religious minorities, lower social classes, or migrant groups tend to invoke a range of alternative sources to derive their social standing and sense of self-worth, such as their moral values, their sense of community, or their pride in their cultural heritage (e.g., Lamont, 2000; Williams, 2017). In fact, scholars examining these issues have argued that the focus on material wealth as the single dimension of success only creates competition and conflict in society with few winners and many losers. Instead, it might be beneficial for all parties involved to consider *multiple* ways in which individuals and groups can contribute to society and are afforded respect and esteem. This resonates with notions on the importance of “social cooperation” between groups (Tajfel, 1978; Tajfel & Turner, 1979) and evidence showing that how a loss of status on one dimension can be compensated by a gain on another dimension (Yzerbyt & Cambon, 2017). Thus, instead of framing status changes as a competition for superiority on a single dimension, it may be helpful to reevaluate the possibility that different dimensions can indicate personal or group virtue and hence afford people with a valued position in society. To be successful, however, such a strategy for social change should consist of more than words alone. Instead of privileging intellectually based skills and economic gain as key societal contributions, this requires that changes are made to attach more value to different types of contributions to society and community life. Providing people in professions that are indispensable for well-functioning societies (such as teachers, nurses, garbage collectors and plumbers) with affordable housing, secure jobs, and decent income levels, makes it easier for them and others to value different forms of craftsmanship, provision of care, and citizenship as important sources of social standing.

Conclusion

In this chapter, we have considered theoretical and empirical perspectives on the origins, correlates, and implications of the experience of status stress. These insights help understand why those whose support is needed to resolve status inequality are likely to resist attempts at achieving more equal outcomes for all. Understanding the emergence and nature of such threat experiences also contributes to the development of alternative strategies and ways of communicating about impending change. If managed well, taking account of these insights may open up the willingness to

change among those who currently have positions of privilege. They may also enhance support for alternative strategies that may be used to help people obtain social respect and feelings of virtue, regardless of their position in society.

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Do People Want More Wealth and Status in Unequal Societies?



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In recent decades, the world has seen rising levels of wealth and income inequality (Piketty & Saez, 2014; Ravallion, 2014). There is a growing evidence that economic inequality is consequential because it negatively affects people's health and social life in various ways. For example, inequality is associated with increased health problems (Kondo et al., 2009; Kondo et al., 2012), lower life satisfaction (Roth, Hahn, & Spinath, 2016; Van de Werfhorst & Salverda, 2012), and lower social cohesion (Ritzen & Woolcock, 2000; Twenge, Campbell, & Carter, 2014; Uslaner & Brown, 2005). In this chapter, we explore one specific consequence of inequality: how economic inequality affects people's financial and status aspirations. Specifically, we ask whether higher levels of economic inequality reduce or enhance people's "rat racing" for wealth and status.

In answering that question, it is clear that there are two opposing predictions. On the one hand, one might predict that higher levels of inequality dampen desires for more. The reasoning underlying this prediction is that greater inequality expands the distance between people from different socio-economic backgrounds, making it more difficult (or even impossible) for people to move up from one socio-economic rank to the next rank. Subsequently, people might give up hope in upward mobility

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and then abandon any efforts to seek more wealth and status (Paskov, Gërkhani, & van de Werfhorst, 2016). In a similar vein, greater inequality limits the tendency for people to engage in upward social comparisons because those higher in the wealth hierarchy are no longer relevant comparison targets (Festinger, 1954; Paskov et al., 2016). As a result, in an unequal society, it should be more difficult for people to “keep up with the Joneses” and the realization that they cannot keep up should lead to disengagement and even abandonment of the goal to climb the ladder by pursuing more wealth and status.

On the other hand, there is also evidence suggesting that greater inequality might enhance people’s motivation to acquire more wealth and status. For instance, economic game experiments have shown that, compared to people in low inequality contexts, people in high inequality contexts preferred high-risk/high-reward strategies over low-risk/low-reward strategies (Payne, Brown-Iannuzzi, & Hannay, 2017; see also Brown-Iannuzzi, & McKee, chapter “[Economic Inequality and Risk-Taking Behaviors](#)”). In a related vein, an analysis of Google searches data revealed that compared to US states with lower levels of economic inequality, in US states with higher levels of economic inequality, people were more likely to search for high risk-taking means to acquire more financial gains (e.g., “lottery” and “win money”) than safer means with relatively lower rates of return (e.g., “savings” and “retirement account”; Payne et al., 2017). Similarly, other research has suggested that in unequal societies people were more likely to be concerned with their social status—which was also reflected in their Google searches (Walasek & Brown, 2015, chapter “[Income Inequality and Social Status: The Social Rank and Material Rank Hypotheses](#)”). In particular, in US states with higher levels of economic inequality, the majority of the most frequently used Google search terms were related to status-related goods (e.g., “Ralph Lauren” and “fur vests”). In contrast, in states with lower levels of economic inequality, the majority of the predominantly used Google search terms were not related to status at all (e.g., “flower names” and “lemon bars recipe”). Moreover, an analysis of working hours in ten Western countries over three decades showed that greater inequality was associated with people working longer hours, presumably because they felt motivated or obliged to accumulate more wealth and status by working harder (Bowles & Park, 2005).

Since both lines of thinking have their own merits in predicting whether inequality might reduce or enhance people’s seeking for wealth and status, a systematic examination is needed. In this chapter, we will first provide a brief review of past work pertaining to the potential association between economic inequality and people’s pursuit of wealth and status. We will then propose a theoretical framework derived from the social identity perspective to better understand the potential “inequality–desire for wealth and status” link. We will also provide an overview of our own research exploring the relationship between economic inequality and desire for wealth and status wherein we take consideration of the potential interaction between inequality and social class in affecting people’s desire for wealth and status as well.

Will Inequality Fuel a Desire for More?

There are various ways in which past work has theorized about the association between economic inequality and the desire for wealth and status and most of these perspectives would lead to the second prediction that inequality enhances people's desire for wealth and status. Here we focus more closely on three major perspectives—the social comparison perspective, the neo-material perspective, and the status anxiety perspective—and outline how they would lead to the prediction that inequality will fuel a desire for more.

First, the social comparison perspective leads us to predict that economic inequality influences people's motivation to seek wealth and status due to its role as an informational signal of future prosperity (Clark, Kristensen, & Westergård-Nielsen, 2009; Hirschman, 1973; van Hoorn, 2017) and a stimulus to work hard (Norton, 2014; Starmans, Sheskin, & Bloom, 2017). For instance, research studying workers in Denmark suggested that when workers knew that their co-workers earned more than they did, they not only felt jealous, but also interpreted this information of inequality as a signal that they may be able to receive higher future earnings too. Notably, the positive effect of expected increased future earnings on job satisfaction associated with this discrepancy in pay was also found to be larger than the negative effect that feeling one's current earning to be worse off than others had on reducing one's job satisfaction (Clark et al., 2009; for a discussion of such dynamics in the context of leader pay, see Peters, Fonseca, Steffens, Haslam & Quiggin, chapter "Putting a Social Psychological Spotlight on Economic Inequality"). Similarly, other research has suggested that as long as an overall positive economic development is ongoing (e.g., at the national or global level), people are more tolerant of economic inequality because they believe that they will be better off in the future (Cheung, 2015; Hirschman, 1973). In this regard, economic inequality brings hope of future prosperity, thereby stimulating people to work hard to gain more wealth and status.

However, it is worth noting that such an effect of inequality as informational signal to future prosperity builds upon the premise that people can achieve upward mobility in the system (e.g., workers can get promoted to receive higher earnings) and that the overall economy is growing (as a rising tide lifting all boats). When the system is static (e.g., workers' positions and earnings are fixed in the system) or when the macro-economy is stagnant (or in times of economic downturn), inequality would be unlikely to stimulate people's striving for more wealth and status. Even worse, it may erode people's enthusiasm to seek upward mobility as they see no chance of becoming better off in the future. Moreover, it is also suggested that higher levels of inequality might slow down economic growth, thus counteracting the motivating effect of higher inequality on desire through economic growth (Ravallion, 2014).

Second, the neo-material perspective, which has traditionally focused on the effects of economic inequality on health, argues that inequality is likely to have

societal consequences because it reduces the material resources held by both individuals and the society as a whole (Lynch, Smith, Kaplan, & House, 2000). For example, at the individual level, unequal societies will have a greater number of people that do not have enough private resources to afford health service and medical care—a determinant of poor health outcomes. In addition, at the societal level, highly unequal societies systematically underinvest in public infrastructures including health services, social welfare, education, food services, and housing (Lynch et al., 2000; van Deurzen, van Oorschot, & van Ingen, 2014). If, as this perspective claims, the main problem of inequality is one of a lack of resources, then it follows that people who find themselves in unequal societies may be motivated to acquire more wealth in order to better cope.

Third, the status anxiety perspective, which emphasizes the psychosocial implications of economic inequality, argues that inequality raises people's concerns about their social status (Wilkinson & Pickett, 2010; see also Blake & Brooke, chapter "Income Inequality and Reproductive Competition: Implications for Consumption, Status Seeking, and Women's Self-Sexualization"; Bratanova, Summers, Liu, & Vaclair, chapter "A Rising Tide Lifts Some Boats, but Leaves Many Others Behind: The Harms of Inequality-Induced Status Seeking and the Remedial Effects of Employee Ownership"; Scheepers & Ellemers, chapter "Status Stress: Explaining Defensiveness to the Resolution of Social Inequality in Members of Dominant Groups"). According to this view, in societies with higher levels of inequality, social status becomes a more salient attribute in defining and differentiating people. As a result, where one is positioned in the hierarchy is more important and, aside from enhancing status anxiety, inequality also results in more intense competition for status (Wilkinson & Pickett, 2010). Consistent with the claim that inequality increases status anxiety, cross-national research among European countries showed that in countries with greater inequality people reported being more worried about being looked down on because of their job situation or income (Layte, 2012; Layte & Whelan, 2014). However, empirical evidence for the prediction that inequality enhances status competition by enhancing status seeking is mixed. For example, results from previous research exploring the association between inequality and status seeking were not consistent, with some analysis showing that inequality increased status seeking (Paskov, Gërkhani, & van de Werfhorst, 2013) and others showing that inequality decreased status seeking (Paskov et al., 2016).

Taken together, past work would lead us to suggest that economic inequality would signal future prosperity and drive people to realize it through striving for more wealth and status (the social comparison perspective), motivate people to pursue more wealth as a buffer from the material negative consequences of inequality (the neo-material perspective), and stir people to seek more status to ease their anxieties in a status-salient society (the status anxiety perspective). Having said that, these effects may be conditional, so that, for instance, a stagnant economy might dampen people's aspirations to seek more wealth and status.

In any case, except for the work by Paskov et al. (2013, 2016), there is little empirical work directly testing the relationship between inequality and people's desire for wealth and status. It is important to expand this evidence base because

there are limits to the aforementioned perspectives. In particular, even though these three theoretical perspectives might help to explain how and why economic inequality might influence people's desire for wealth and status, they fail to consider other socio-structural factors (e.g., the feasibility of achieving upward mobility in an unequal society and the stability and legitimacy of existing inequality) that might play an important role in affecting the relationship between inequality and the desire for more. We propose that a theoretical framework in line with social identity theorizing (Tajfel & Turner, 1979; see also Haslam, 2004) will help to provide a more complete picture of the socio-structural factors that may affect the link between inequality and people's desire for wealth and status. Importantly, as we show below, this perspective incorporates and integrates key aspects of the social comparison, the neo-material, and the status anxiety perspectives (Jetten et al., 2017; see also Scheepers & Ellemers, chapter "Status Stress: Explaining Defensiveness to the Resolution of Social Inequality in Members of Dominant Groups").

Inequality and the Desire for More: A Social Identity Perspective

According to social identity theory (SIT; Tajfel & Turner, 1979; see also Haslam, 2004), people want to achieve (or maintain) a positive sense of self and one primary way to obtain such a positive identity is by belonging to a positively valued group. SIT outlines a number of strategies that people can adopt to achieve a positive identity. Furthermore, it specifies that socio-structural factors, including the permeability of group boundaries (i.e., how easily one can change one's group membership) as well as the stability and the legitimacy of intergroup hierarchies, will determine which strategy is used.

To better understand the intra- and inter-group dimensions outlined in SIT, consider a football team. In a football league there are a number of teams with different performance strengths. Being a player in a top-ranking team provides a player with a positive identity and probably motivates this player to keep playing hard to maintain this positive identity. In contrast, being a player in a low-ranking team brings a player a negative identity and prompts this player to find a way to improve that identity. When it is possible for players to transfer between different teams (i.e., intergroup boundaries are permeable), one way for a player of a low-ranking team to achieve a more positive identity is to transfer to a top-ranking team. However, when individual transfers are not feasible, players of a low-ranking team can also improve their identity through beating other teams and thereby improving their team's ranking. Such collective endeavors are more likely to occur when players of a low-ranking team perceive the current hierarchy in the football league to be unstable (e.g., weak teams have a chance to win due to talented young players; strong teams cannot always stay at the top rung due to eventual retirement of their star players) or illegitimate (e.g., a low-ranking team lost a game to a top team not

because the former performed worse than the latter, but because the referee was biased).

From the perspective of SIT, in an unequal society where intergroup disparities in terms of wealth and status are salient, members of low-status and high-status groups will use different strategies to achieve or maintain a positive identity. In what follows, we focus on how economic inequality might differentially shape the motivations of low- and high-status group members to pursue wealth and status. Before developing our reasoning, it is worth noting that we refer to those who have relatively less wealth and lower status as *members of low-status groups*, and we use this term interchangeably with the “*have-nots*,” *the lower-class*, *the poor*, and *the underprivileged*, whereas we refer to those who possess relatively more wealth and higher status as *members of high-status groups*, and we use that term interchangeably with the “*haves*,” *the upper-class*, *the rich*, and *the privileged*.

With regard to members of low-status groups, when intergroup boundaries are permeable, SIT suggests that people will engage in individual mobility because that is a straightforward strategy to achieve a positive identity (Tajfel & Turner, 1979). In other words, personal striving may allow an individual to leave a low-status group and move into a high-status one, and thereby achieve a more positive identity. However, in the context of greater inequality the gap between low- and high-status groups is wider, and it may be harder for members of low-status groups to cross boundaries. To illustrate, consider a family from a lower-class background in the USA (those at the tenth percentile of the national income distribution) that strives to move upward to become a member of the upper class (those at the 90th percentile). This individual mobility will become much more difficult as the level of inequality increases. When economic inequality was relatively low 50 years ago (with a Gini coefficient of 0.35 in 1968), a lower-class family needed to multiply their income nearly six times (or increase an absolute \$95,000 in their income) to be on par with an upper-class family (\$17,704 vs. \$113,451, adjusted to 2016 US dollars). However, with current high levels of economic inequality (with a Gini coefficient of 0.48 in 2016), this same family would have to multiply their income nearly 13 times (or increase their income by an absolute \$170,000) to be on par with an upper-class family (\$14,459 vs. \$182,826, adjusted to 2016 US dollars; data retrieved from the U.S. Census Bureau, 2017, and the Urban Institute, 2017). Since the gap has almost doubled, more effort is required now than in the past to achieve individual mobility, placing a greater obstacle for members of low-status groups to accumulate wealth and status.

One might argue that because achieving individual mobility in unequal societies requires more effort, this may be a motivating factor for members of low-status groups to seek more. However, it is also possible that the increasing difficulty of catching up with the “haves” will impede the motivations of the “have-nots” to strive for more (Paskov et al., 2016; see also Day & Fiske, Chap. “[Understanding the Nature and Consequences of Social Mobility Beliefs](#)”). In line with SIT, we argue that whether inequality motivates or demotivates is likely to depend on whether or not people perceive inequality to be secure in terms of the stability of the intergroup context and legitimacy of wealth differences between groups (Scheepers, 2017; Tajfel & Turner, 1979; Turner & Brown, 1978; see also Scheepers & Ellemers,

chapter “[Status Stress: Explaining Defensiveness to the Resolution of Social Inequality in Members of Dominant Groups](#)”). There are reasons to suggest that inequality enhances beliefs not only that the gap between the rich and the poor is too wide to cross (i.e., boundaries between wealth groups are perceived as impermeable), but also that the existing unequal social context is unstable and illegitimate. For instance, social cohesion has been found to be lower and anomie to be higher in more unequal societies (Ritzen & Woolcock, 2000; Sprong et al., 2019; Van de Werfhorst & Salverda, 2012). Along similar lines, there is evidence that in societies with greater inequality, people are less trusting of others and they have lower levels of confidence in government and business institutions (Twenge et al., 2014; Uslander & Brown, 2005). A historical perspective is useful here too. It has been argued that societies with higher levels of inequality are more likely to experience more turbulent periods characterized by warfare, violent revolution, and state collapse (Scheidel, 2017).

There is also evidence that to the extent that people are aware of the actual state of affairs, current levels of inequality are likely to be perceived as rather illegitimate (Dawtry, Sutton, & Sibley, chapter “[Social Sampling, Perceptions of Wealth Distribution, and Support for Redistribution](#)”). When asking participants how much wealth the “haves” (the richest 20%) and the “have-nots” (the poorest 20%) should own, the ideal wealth ratio of the “haves” to the “have-nots” was far below the actual ratio in today’s society (3:1 vs. 850:1; Norton, 2014; Norton & Ariely, 2011). In a similar vein, when asking how much income more privileged (e.g., CEOs) and more underprivileged (e.g., unskilled workers) should earn, respondents’ ideal pay ratio of the privileged to the underprivileged was also much smaller than the actual pay ratio (7:1 vs. 354:1; Kiatpongsan & Norton, 2014; see also Jiang & Probst, chapter “[Societal Income Inequality and Coping with Work-related Economic Stressors: A Resource Perspective](#)”; Peters, Fonseca, Haslam, Steffens, & Quiggin, chapter “[Putting a Social Psychological Spotlight on Economic Inequality](#)”).

According to SIT, when people perceive that inequality is associated with impermeable group boundaries and illegitimate and unstable relationships between the poor and the wealthy, people will be less likely to resort to personal solutions to achieve a positive identity and more likely to embrace collective-level strategies to achieve that objective. In particular, when intergroup status differences are perceived to be unstable and illegitimate, people will be more likely to seek cognitive alternatives to the current social hierarchies by engaging in social competition (Turner & Brown, 1978). Consistent with this reasoning, there is evidence that when intergroup differences were perceived to be unstable and illegitimate (rather than stable and legitimate), members of low-status groups exhibited better performance on competition tasks (Scheepers, 2009, 2017; Scheepers & Ellemers, chapter “[Status Stress: Explaining Defensiveness to the Resolution of Social Inequality in Members of Dominant Groups](#)”). Based on these ideas, we predict that it is also in such contexts (when intergroup boundaries are impermeable and intergroup relations are perceived as unstable and illegitimate) that greater inequality will fuel a desire for more wealth and status among members of low-status groups in an attempt to improve their standing in the hierarchy through social change. We predict that only when inequality is perceived as stable and legitimate will members of

low-status groups see no cognitive alternatives (i.e., they realize that the status quo cannot be changed) and thereby abandon their striving for wealth and status.

With regard to members of high-status groups, SIT could be seen to predict that their primary concern is to maintain their privileges. However, there are also reasons to suggest that they might actually be motivated to strive for more (Haslam, 2004; Tajfel & Turner, 1979). In unequal societies in which intergroup boundaries are permeable, this concern is twofold. On the one hand, similar to members of low-status groups who want to achieve individual mobility, members of high-status groups also perceive pressure to move upward (e.g., from being rich to becoming superrich). Since permeability indicates that the sky is the limit, wealthy people are worried about not climbing the social ladder fast enough when boundaries towards wealthier groups are permeable. On the other hand, compared to members of low-status groups, members of high-status groups additionally face the possibility of falling (Mols & Jetten, 2017; Jetten, 2019). In particular, when intergroup boundaries are permeable, those at the top rungs of the social ladder might fear falling down to lower rungs (i.e., downward mobility). In equal societies, such falling should be less of a concern because distances between rungs are relatively small and one should not fall that low. However, in more unequal societies, falling would be more consequential because gaps between rungs are wider and it would be harder to return back to one's original place. Taken together, due to the pressure to "keep up with Joneses" and the fear of falling (which are both amplified in unequal societies), SIT would in fact predict that members of high-status groups are motivated to accumulate more wealth and status with greater levels of inequality.

According to SIT, when intergroup boundaries are impermeable and the disparities between low- and high-status groups are perceived to be unstable and illegitimate, members of high-status groups will also engage in social competition to preserve or expand their higher status position (Turner & Brown, 1978). In particular, in contexts of high inequality, more is at stake, and the "haves" might resort to direct oppression to prevent potential challenges from the "have-nots" (Haslam, 2004). Moreover, in unequal societies characterized by an insecure wealth hierarchy, those at the top of the ladder may experience pressure to accumulate even more wealth and status to win the "rat race."

In sum, based upon SIT reasoning, we argue that in the context of greater inequality, members of low- as well as high-status groups will be motivated to seek more wealth and status either as a way to achieve individual upward mobility or to collectively compete to pursue (or prevent) social change at the group level. We thus predict:

Hypothesis 1 *Higher levels of economic inequality should be associated with a stronger desire for wealth and status.*

Moreover, as SIT predicts that in unequal societies the "have-nots" and the "haves" are motivated to seek wealth and status for different reasons, one might further ask whether the strength of their response to inequality is of the same intensity or not.

One possibility is that people from higher social class backgrounds have a stronger desire for wealth and status as a response to higher inequality than their counterparts from lower social class backgrounds. For instance, since the “haves” possess more wealth and have higher status than the “have-nots,” the former should also be more concerned about wealth and status than the latter, especially when their privileges are likely to be perceived as unstable and illegitimate in the context of great inequality. As Jean-Jacques Rousseau wrote in *A discourse on the origin of inequality*, “the rich had feelings in every part of their possessions, it was much easier to harm them, and therefore more necessary for them to take precautions against it” (Rousseau, 1754/1950). Consistent with this possibility, there is evidence that higher levels of inequality have reduced political engagement among all but people of the most affluent income group, suggesting that in unequal societies, the “haves” are more prepared to defend or even expand their privileges through political means compared to the “have-nots” (Solt, 2008). Other research has shown that greater inequality increased the adherence to American meritocracy beliefs among the rich, but heightened the rejection of this ideology among the poor (Newman, Johnston, & Lown, 2015). This suggests that in unequal societies the “haves” are more likely to be inspired by American meritocracy beliefs as a basis to strive for more wealth and status, whereas the “have-nots” are more likely to be depressed in their struggle for a better life. We therefore propose the following hypothesis:

Hypothesis 2a *The association between greater inequality and heightened desire for wealth and status should be stronger among the “haves” than among the “have-nots.”*

Another possibility is that the “have-nots” have a stronger desire for wealth and status as a response to higher inequality than the “haves.” One reason for this prediction can be found in the Bible where it is stated: “The wealth of the rich is their fortified city, but poverty is the ruin of the poor” (Proverbs 10:15, New International Version). That is, the rich might have enough resources so they have a wall to protect themselves against the negative consequences of inequality, whereas the poor have little or no buffer against the hardships they encounter in an unequal society. In other words, the “haves” may not need more wealth and status to cope with rising levels of inequality, whereas acquiring more wealth and status is essential for the “have-nots” to survive in an increasingly unequal society. Consistent with this view that inequality asymmetrically affects the rich and the poor, there is evidence that salient income inequality significantly reduced the job satisfaction of workers who are paid less, whereas it did not enhance the job satisfaction of workers who are better paid (Card, Mas, Moretti, & Saez, 2012; see also Jiang & Probst, chapter “[Societal Income Inequality and Coping with Work-related Economic Stressors: A Resource Perspective](#)”). In addition, compared to equal societies, in unequal societies the “have-nots” might perceive more relative deprivation (Runciman, 1966; Walker & Smith, 2002) since greater inequality enlarges the disparities between the “have-nots” and the “haves,” and such perception of relative deprivation is associated with a stronger desire for wealth and status. For instance, previous research has shown that when perceiving relative deprivation, people were more likely to engage

in gambling for financial gains (Callan, Shead, & Olson, 2015), and they were more inclined to pursue higher education to improve their status (Olson, Roesesc, Meen, & Robertson, 1995). Together, there are reasons for us to propose another opposing hypothesis for examination:

Hypothesis 2b *The association between greater inequality and heightened desire for wealth and status should be stronger among the “have-nots” than among the “haves.”*

An Empirical Examination: Higher Inequality, Greater Desire

We have proposed a SIT perspective to understand the potential association between economic inequality and people's desire for wealth and status. On the basis of this perspective, we have further elaborated two hypotheses that we have recently tested empirically (Wang, Jetten, & Steffens, 2019).

First, using a large cross-national sample, we tested the association between inequality and desire for wealth and status. The data was retrieved from the World Values Survey (WVS) covering over 141,000 participants from 73 countries and regions. Inequality was operationalized as the Gini coefficient at the country level, and people's desire for wealth and status was measured respectively by their agreement with the statements “It is important to this person to be rich; to have a lot of money and expensive things” (desire for wealth) and “Being very successful is important to this person; to have people recognize one's achievements” (desire for status). Results showed that higher levels of economic inequality were significantly associated with a stronger desire for both wealth and status. These correlational findings were replicated in a second study using an Australian national representative sample, in which we assessed people's subjective perceptions of economic inequality in Australia and the importance of wealth and status (a proxy for their desire for wealth and status). Taken together, these two studies provided evidence for our first hypothesis (H1) that greater inequality was associated with a stronger desire for wealth and status.

To further investigate the causal relationship between inequality and desire, we conducted two studies using experimental designs that manipulated people's perceived inequality. In one study, participants' perceived inequality was manipulated in a fictitious society (using a paradigm adapted from Jetten, Mols, & Postmes, 2015). Results showed that, compared to participants assigned to a fictitious society with lower levels of inequality, participants assigned to a fictitious society with higher levels of inequality expressed a stronger desire for more wealth and status than what they currently had. In another study, to manipulate perceived inequality in the real world (using the paradigm adapted from Côté, House, & Willer, 2015), American participants were presented with information that the wealth distribution in their home state was either relatively unequal (high inequality condition) or relatively equal (low inequality condition). After the manipulation, participants indi-

cated their desire for wealth and status. Results showed that participants in the high inequality condition reported a marginally greater desire for status than those in the low inequality condition. However, the former did not significantly differ from the latter with regard to the desire for wealth.

To test our second hypothesis and understand whether the association between inequality and desire for wealth and status varies across different social groups, we examined how inequality and social class interacted to affect people's desire. In the aforementioned cross-national study, we found a significant interaction between inequality and social class in predicting people's desire for wealth and status. In particular, the positive correlation between higher levels of inequality and desire was stronger among people from a lower social class background than among those from a higher social class background. This result was replicated in one experimental study where this interaction could be explored: when perceived inequality in the real world increased, the desire among the lower class increased to a greater extent than the desire among the upper class. Together, even though inequality enhanced the desire for wealth and status for everyone, supporting hypothesis H2b, the association between greater inequality and desire was stronger among the "have-nots" than among the "haves."

Implications and Future Directions

Our findings reported above have important theoretical and social implications. Across three studies, we directly examined the association between economic inequality and desire for wealth and status (Wang et al., 2019). With regard to H1, consistent with the SIT perspective, results showed a significant "higher inequality–greater desire" relationship. In showing that people in unequal societies become more concerned with both material resources and social status, these results are also compatible with the social comparison, neo-material (Lynch et al., 2000), and status anxiety perspective (Wilkinson & Pickett, 2010). Moreover, we also tested whether the "higher inequality–greater desire" relationship varies across different social groups based on SIT predictions that members of low- and high-status groups might seek more wealth and status (albeit for different reasons) as a response to higher levels of inequality. In support of H2b, the "have-nots" were more responsive in their desire for wealth and status than the "haves" as a function of inequality. In sum, our findings suggest that people's desire for wealth and status is heightened in unequal societies, and such heightening effects of inequality on desire are especially strong among those from lower social class backgrounds.

There are two further points to raise in relation to the finding that compared to the "haves," the "have-nots" are more susceptible to the inequality effects on their desire for wealth and status. On the one hand, according to SIT, greater inequality might serve as a catalyst for the "have-nots" not only to pursue individual mobility, but also to strive for their collective interests and rights as a group (e.g., "We are the 99%") and engage in collective action (e.g., the "Occupy Wall Street" movement) to

achieve social change. On the other hand, however, the stronger association between inequality and desire for wealth and status among the “have-nots” might also promote stress, discontent, or even hatred against the rich. As a result, the “have-nots” might be more likely to resort to risk-taking (Payne et al., 2017; see also Brown-Iannuzzi, & McKee, Chap. “Economic Inequality and Risk-Taking Behaviors”) or even aggressive practices to acquire more wealth and status (Greitemeyer & Sagioglou, 2016), which might trigger more intergroup conflict and violence (Jetten et al., 2017; Wilkinson & Pickett, 2010).

Conclusion

This insecurity of privilege only grows as the chasm beneath the privileged class expands. It is the restless engine that drives us to invest still more time and energy in the walls that will keep us safe by keeping others out. (Stewart in *The Atlantic*, 2018)

They openly declare that their ends can be attained only by the forcible overthrow of all existing social conditions... The proletarians have nothing to lose but their chains. They have a world to win. (Marx & Engels in *The Manifesto of the Communist Party*, 1848/1969)

In this chapter, we have analyzed the potential association between economic inequality and people’s desire for wealth and status as well as social class differences in this association. The “haves” are likely to perceive the intergroup relationship to be insecure, and they have to engage in social competition for more wealth and status to preserve their privileges. As Stewart commented in *The Atlantic*, though greater inequality has expanded the gap between the wealthy and those who are not, the wealthy are still restlessly seeking wealth and status to consolidate their insecure privileges. In contrast, the “have-nots” perceive cognitive alternatives to the existing social order, and they are motivated to strive for social change through collective action to acquire more wealth and status. In unequal societies, it may be the case that as predicted in *The Manifesto of the Communist Party*, the “have-nots” would want the “overthrow of all existing social conditions” since they “have nothing to lose” but “a world to win.” Taken together, there are many things that are uncertain or changing in the context of high inequality, but there appears to be one constant: the more unequal a society is, the more likely people feel obliged to compete for more wealth and status.

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Inequality and Class Consciousness



Héctor Carvacho and Belén Álvarez

The strong development of a psychology of inequality has played an important role at bringing social class back to the attention of social psychologists (e.g., Fiske & Markus, 2012). Social sciences, and specially sociology, gave class a central role in classic theories (cf. Savage, 2015). However, in social psychology, class was almost absent for most of the twentieth century. One particular aspect of the study of social class within the social sciences that has received little attention from social psychologists is class consciousness—the degree to which people are aware of the class system and identify with their own class.

In this chapter, we propose that the development of a psychology of inequality provides an opportunity to have a closer look at the concept of class consciousness in social psychology. To develop this idea, we provide a conceptual overview of class consciousness, offering a definition that accounts for its psychological components. We also argue for the contemporary relevance of class consciousness and discuss the relationship between inequality and class consciousness. Then, we present initial empirical findings to illustrate the kind of research that can advance our understanding of class consciousness and discuss the implications of this proposal for setting a research agenda on class consciousness in social psychology.

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On the Concept of Class Consciousness

Although people who are part of the working class face relevant structural disadvantages, most of the time they are not fighting against the class system or challenging the status quo. Most class-based societies (e.g., industrialized western countries) are in general peaceful and the social classes are not clashing, contrary to what Marx predicted in the nineteenth century (Marx & Engels, 1848/2002).

However, there is something intriguing about this fact. If the experience of belonging to the working class evokes notions of oppression, unfairness, scarcity, and many other negative attributes, why does it not spur people to fight against it? To address this issue, Marx proposed that people of the working class do not fight for their class because they are in a state of false consciousness (Marx & Engels, 1932). That is, they are unaware of the class system and the unfairness that it entails and instead endorse ideologies that prevent them from challenging the status quo. This is what is known, in contemporary psychology, as a system-justifying ideology (Jost & Banaji, 1994). It is in the interest of the working class that people fight against the status quo, but it is in the interest of the privileged class, and of the overall current social order, that people justify the system. And there is some evidence that people are motivated to justify the system even if it goes against their own interests or the interests of their group (Jost & van der Toorn, 2012). For example, Glick and Fiske (1996) found that in many countries, women endorse benevolent sexism as much as men do. They even found that in countries where men tended to endorse hostile and benevolent sexism to a high level so too were women more likely to support benevolent sexism (Glick et al., 2000). Jost, Pelham, Sheldon, and Ni Sullivan (2003) also found in a series of studies that disadvantaged groups were more likely to endorse system-justifying beliefs than members of advantaged groups, albeit in different contexts (also see Jost, Banaji, & Nosek, 2004).

To try to understand how people could overcome the ideologies that kept them in their disadvantaged positions, early in the twentieth century, the Hungarian Marxist philosopher György Lukács proposed a concept, class consciousness, that could be opposed to false consciousness. If people did not fight against the class structure because they were trapped in a wrong state of mind, it was necessary to change people's minds to the correct state. According to Lukács (1923) that involved making people aware of the class structure and encouraging them to identify with the working class. In other words, class consciousness needed to be developed in order to counteract false consciousness.

Class consciousness has been defined variously (e.g., Centers, 1949; Lukács, 1923), but three aspects are commonly seen to play a major role: class identity, class interest, and class awareness. Class identity refers to the extent to which people construct their own self as a member of a social class, how relevant it is for them to be part of their social class, and how connected they feel with other members of their class. When people have a strong class consciousness, their identity incorporates their social class as a core aspect.

Class interest refers to the degree to which the individual's self-interest is aligned with the interest of the class. When a person has a strong class consciousness, that which is relevant for the class as a whole will be also relevant for the self. Whatever the goals that the class as a group work toward, these are also found among the most important goals for the individual. If the aim is to maintain a position of power, as it could be the case for the upper class (see also Scheepers & Ellemers, chapter "[Status Stress: Explaining Defensiveness to the Resolution of Social Inequality in Members of Dominant Groups](#)"), people with a strong class consciousness will do everything they can to defend their class. More interesting, people with strong levels of class consciousness might endorse the interests of the class even against their own personal interest, which, for example, could be the case of an activist who accepts high personal costs to work for the benefit of the class.

Finally, class identity and class interest cannot be developed without class awareness. Class awareness is the degree to which people are aware of their class belonging and the position of their class in the class system. People who have strong class consciousness are able to quickly identify the place they have in the class hierarchy, they know the class to which they belong, and the relative position they have in society is chronically salient to them. If people are not aware of their class, they cannot develop a sense of identity with the class and their fellow members; neither can they adhere to their class interests.

On the Contemporary Relevance of Class Consciousness

Does it make sense to talk about class consciousness 100 years after the concept was first proposed? Although class consciousness could have been used to address issues of class oppression and inequality, in the twentieth century the concept was mostly used within Marxist social sciences, and its broader analytical potential was not really explored. Indeed, according to the Google Ngram Viewer, the use of the concept of class consciousness steadily decreased from 1980 onward, as did the concept of social class. Interestingly, the use of the concept of income inequality increased over the same period of time.

There are two developments that are likely to have prevented the social sciences in general and social psychology in particular from using the concept of class consciousness more widely than it has done so far. First, social changes over the last decades mean that the class system is no longer the most relevant form of group hierarchy in the contemporary world. Where previously the primary force organizing society was the capitalist economy involving the oppression of the working class, contemporary theorizing of intergroup conflict and group hierarchies has noted that the core issue is not one of social class. Instead, it has been argued that social hierarchies are ubiquitous both within and beyond the capitalist world and encompass multiple group categories (e.g., social dominance theory, Sidanius, Cotterill, Sheehy-Skeffington, Kteily, & Carvacho, 2017; Sidanius & Pratto, 2001; and social identity theory, Tajfel & Turner, 1986). For instance, intergroup conflicts

and hierarchies appear in the form of interethnic disputes, discrimination against sexual minorities, religious conflicts, racial discrimination, and many others. Therefore, the claim that the class system is the most relevant form of group hierarchy and, as a consequence, false consciousness is what keeps people's positions in society undisputed seems to be an insufficient explanation for the many forms of intergroup conflicts and group hierarchies. For this reason, the concept of class consciousness may not have had much uptake in social psychology. More generally, it is probably fair to say that the concept of social class altogether has been largely neglected in social psychology (for some notable exceptions see, e.g., Argyle, 1994; Lott & Maluso, 1995, and more recently, Carvacho et al., 2013; Fiske & Markus, 2012; Kraus, Piff, & Keltner, 2009; Piff, Kraus, Côté, Cheng, & Keltner, 2010; Stephens, Markus, & Townsend, 2007).

The second development that has prevented the social sciences in general and social psychology in particular from using class consciousness more widely is theoretical. To try to explain a social problem—in this case the maintenance of the social class structure—by employing a psychological concept (i.e., consciousness) is something that classic authors in sociology such as Marx, Weber, and Durkheim did, but it was mostly left behind as the discipline developed (for a discussion on this issue, see House, 1977; Kohn, 1989; Kohn & Schooler, 1983; Turner, 1988). At the time when early Marxist writers proposed an approach that relied on psychological mechanisms to explain how the social structure was maintained, the understanding of human psychology was very rudimentary. Indeed, at the beginning of the twentieth century, psychology was a young discipline and, in part because of that and, contrary to what Marx, Weber, and Durkheim did, social theorists that came after them avoided the use of psychological concepts (House, 1977).

Nevertheless, an example of the early use of psychological concepts to explain social processes can be found in Marx's concept of false consciousness itself. This concept includes the notion that people deceive themselves to deal with their social misfortunes, and this mechanism is central to understand how the class system is maintained. Moreover, the idea that people fool themselves or that they were fooled by the elites predates Marxism (see Lenk, 1966), and it is still present in contemporary psychology, for instance, in the form of implicit attitudes. In the development of this idea, the link between psychological processes and social processes is of central importance to explain the problem of the maintenance of the social structure. To understand why people do not systematically confront social hierarchies (and instead generally conform to them), the psychological mechanisms involved in the relationship between class consciousness and the social structure need to be explained in detail. However, most theories in the social science and in social psychology are not able to explicitly explain the connection between psychological and social processes (for a review on this topic, see Hedström & Ylikoski, 2010).

These two developments explain why the concept of class consciousness lost relevance over the last century. At the same time, if there is a topic that has gained momentum in the last decade in the social science and in the political debate, it is that of inequality (e.g., Acemoğlu & Robinson, 2012; Picketty, 2014; Wilkinson & Pickett, 2009). It is because of this increased interest, and the many points of contact

between social class and inequality (see Jetten & Peters, chapter “[Putting a Social Psychological Spotlight on Economic Inequality](#)”), that they are increasingly studied together. In the next paragraphs, we will present some evidence to show how contemporary research on the psychology of inequality has provided fruitful insights that help to address questions on how psychological processes and social processes relate, and by doing so, a new window of opportunity for the use of the concept of class consciousness has emerged.

The Psychology of Inequality

Research on the psychology of inequality has shown evidence of its impact on social relations and psychological process. First, inequality has negative consequences on people’s psychological states. For instance, individuals in societies with higher levels of inequality report lower levels of interpersonal trust (Elgar & Aitken, 2010; Oishi, Kesebir, & Diener, 2011; Wilkinson & Pickett, 2009). One possible explanation for this finding is that inequality generates a feeling of distrust toward the system and a perception that only the rich get richer, or a sense that inequality intensifies social hierarchies and leads people to think that those higher on the social ladder must be doing something dishonest to have been able to achieve what they have. Also, greater inequality means people care less for others and have to fight for themselves to get what they want, which results in less trust. Another example of the negative psychological consequences of inequality is the well-documented effect of the increase of status anxiety at all income levels in more unequal societies because status becomes more important and increases the feeling that others might “look down on you” (Layte & Whelan, 2014; Wilkinson & Pickett, 2009; see also Sheehy-Skeffington, chapter “[Inequality from the Bottom Up: Toward a “Psychological Shift” Model of Decision-Making Under Socioeconomic Threat](#)”; Wang, Jetten, & Steffens, chapter “[Do People Want More Wealth and Status in Unequal Societies?](#)”). Additionally, members of more unequal societies report lower levels of happiness, life satisfaction, and well-being, and several researchers have shown that this is mainly because of low trust and high status anxiety (Elgar & Aitken, 2010; Oishi et al. 2011). That is, if people do not trust other people in their neighborhood or country and feel the need to compete, their well-being and life satisfaction are likely to decline (Wilkinson & Pickett, 2009).

Studies have also found an effect of inequality and visibility of inequality on generosity and cooperation, where people with higher income show less generous behaviors than lower-income individuals if they perceive higher levels of economic inequality (Côté, House, & Willer, 2015; Nishi, Shirado, Rand, & Christakis, 2015). There are several possible explanations for this, including fear of losing a privileged position in a context of high inequality or a psychological motivation to justify and perceive the distribution of resources as fair and just (see Scheepers & Ellemers, chapter “[Status Stress: Explaining Defensiveness to the Resolution of Social Inequality in Members of Dominant Groups](#)”).

The relevance of the research on the psychology of inequality goes beyond the understanding of the deep impact that it produces in people's lives. The research that has been carried out in the last years on this issue also offers a renewed insight into the more general theoretical problem of how social processes shape psychological processes, which, as we mentioned before, is at the core of developing the social theory. And in doing so, this research opens the opportunity for approaches that try to explain not just the top-down influence of social structures on psychological outcomes, but also how psychological mechanism might play a role in the formation and maintenance of social structures (e.g., Boyer, 2018; Sidanius, Cotterill, Sheehy-Skeffington, Kteily, & Carvacho, 2017).

Moreover, it is not a coincidence that income and wealth inequalities have led to an intensified research effort over the past few years. While social psychology neglected social class in favor of other categories for understanding group conflict, income and wealth inequalities have been shown to have persistent and pronounced effects on people's lives. Accordingly, it is increasingly recognized that we need a psychology of the way in which societies are structured by wealth and income, beyond what the general psychology of intergroup relations can inform (Stephens, Markus, & Phillips, 2014). It is in this context of a renewed interest in the psychology of social class and social inequality that revisiting the concept of class consciousness is of relevance.

On the Relationship Between Class Consciousness and Inequality

There are two fundamental ways in which class consciousness is relevant to understanding inequality. First, as originally proposed by Lukács (1923), class consciousness can be considered to be a driver for social change. That is, in societies in which people develop higher levels of class consciousness, we can expect that inequality—as a form of class disparity—is more likely to be confronted and challenged. One of the main components of class consciousness is identification with the social class. And, in the case of the working class, it can be expected that people high in class consciousness would develop not just a high sense of belonging but also a certain awareness of the inequality embedded in the class structure. These two elements, social identity and a shared sense of unfairness, are relevant predictors of collective empowerment and can lead to greater engagement in collective action to challenge the status quo (Drury & Reicher, 1999; Reicher, 1996; Van Zomeren, Postmes, & Spears, 2008). In contrast, in societies in which people have lower levels of class consciousness (and occupy a state of false consciousness), we expect people to justify the social order rather than to challenge the status quo or fight inequality. Lower class consciousness should, therefore, increase the likelihood that people continue to live under more unequal conditions.

The second way in which class consciousness relates to inequality is complementary to the first. This approach suggests that false consciousness is a psychological mechanism that primarily functions to help people to cope with inequality. In that regard, and building on notions of the palliative function of ideology (Jost & Hunyady, 2003), it could be expected that lower social class people who develop class consciousness would be at a higher risk of suffering the negative consequences of living in an unequal society. So, while class consciousness might help societies to confront social inequality, it does not necessarily help individuals, as they might pay a cost for pushing for social change. This mechanism would at least partly explain why it is so costly for individuals to engage in actions aimed at challenging the social order, for instance, when they are being evaluated negatively (e.g., Herrera, Expósito, & Moya, 2012), go against in-group norms (e.g., Jiménez-Moya, Rodríguez-Bailón, Spears, & de Lemus, 2017), or are the victim of multiple forms of social control (Frings & Pinto, 2018). Moreover, as research on social inequality has shown (Oishi et al. 2011; Wilkinson & Pickett, 2009), class consciousness might even be detrimental in a more basic level, because it might trigger more intense processes of social comparison, which in turn might have a detrimental effect on people's life satisfaction and health.

In sum, higher levels of class consciousness, at the social level, might be connected with challenging social inequality, while at the individual level, and particularly among members of low status group, it might promote personally costly attempts to challenge the status quo. Even though these predictions are relatively intuitive, there is relatively little research testing them and questions remain. For instance, do the effects of class consciousness and inequality differ for societies that are rich or poor? Does class consciousness affect outcomes and behaviors differently for individuals belonging to the working class or to the upper class? Are the consequences of class consciousness the same for members of the upper class and members of the working class? All of these are relevant empirical questions that need to be addressed in order to gain a clearer understanding of the relationship between class consciousness and inequality. In the next section, we will present some preliminary research addressing these questions.

Some Empirical Findings on Class Consciousness

Recently, we have started to address the abovementioned questions concerning class consciousness. In the next few paragraphs, we will briefly describe some of the results of this work to illustrate how the empirical work on class consciousness is proving to be a productive endeavor. First, we provide evidence of the relationship between class consciousness and societal inequality after which we review research of the individual-level correlates of class consciousness.

Class Consciousness and Country-Level Inequality

Using data from waves 3 to 6 (1995–2014) of the World Value Survey (Inglehart et al., 2014a, 2014b) and the World Bank Data (World Bank, 2015a, 2015b), we created a country-level measure of class consciousness that we called the class consciousness index (CCI). To create the CCI, for each available country in the data we correlated subjective social class with the income of every individual, controlling for age and gender. This provided us with an indicator of the degree to which people's beliefs about their position in the social structure matched their actual position in the income distribution, which is an indicator of class awareness, the most basic of the components of class consciousness. Then, we matched the CCI with the GINI coefficient of each country—a widely used measure of income inequality—as informed by the World Bank (2015a, 2015b), as well as the gross domestic product (GDP) per capita, corrected by the purchasing power parity (PPP), which allowed us to identify how rich a country is, independently of its size. Finally, we correlated the CCI with the GINI coefficient for richer countries (upper half of the GDP distribution) and poorer countries (lower half of the GDP distribution).

The most consistent finding was that, overall, the CCI varied depending on a country's inequality and wealth. Specifically, we found that class consciousness was lower in countries that were rich and more equal than in countries that were either poor or rich but unequal (see Fig. 1).

A possible explanation for this pattern is that if people live in a rich and more egalitarian country, everyone is fairly well off and more similar to each other and therefore class differences and inequality are less salient by comparison. This impedes the development of class consciousness. People from poor countries, regardless of their levels of inequality, and people from rich but unequal countries do develop higher levels of class consciousness.

Individual-Level Correlates of Class Consciousness

Using the data from the Estudio Longitudinal Social de Chile (ELSOC), with a representative sample of the Chilean population (COES, 2018), we addressed the issue of individual-level consequences of developing class consciousness. In particular, we explored these consequences on measures of life satisfaction and some health-related indicators—such as weight, alcohol consumption, some specific diseases, and mood—included in ELSOC. In this case we created an individual-level measure of class consciousness that examined the discrepancy between the subjective social class and the income-based rank.

We related class consciousness with these diverse measures, separately by social class, to account for the different consequences that class consciousness might have for people of different social class. We found that, in general, belonging to a lower social class and having higher levels of class consciousness relates to lower life

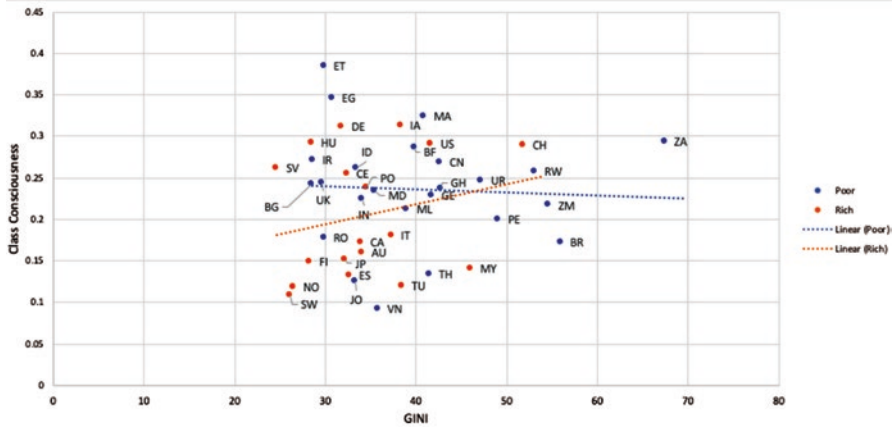


Fig. 1 Relationship between class consciousness and inequality for rich and poor countries. Note: Class consciousness is the correlation between household income and subjective social class within country. GINI is the inequality coefficient as reported by the World Bank. Countries are divided according to their GDP per capita corrected by PPP into rich countries (upper half of the GDP distribution) and poor countries (lower half of the GDP distribution). AU Australia, BG Bulgaria, BF Burkina Faso, BR Brazil, CA Canada, CE Switzerland, CH Chile, CN China, DE Germany, EG Egypt, ES Spain, ET Ethiopia, FI Finland, GE Georgia, GH Ghana, HU Hungary, IA Iran, ID India, IN Indonesia, IR Iraq, IT Italy, JO Jordan, JP Japan, MA Morocco, MD Moldova, ML Mali, MY Malaysia, NO Norway, PE Peru, PO Poland, RO Romania, RW Rwanda, SV Slovenia, SW Sweden, TH Thailand, TU Turkey, UK Ukraine, UR Uruguay, US United States, VN Vietnam, ZA South Africa, ZM Zambia

satisfaction, a more depressive state, higher prevalence of diseases like hypertension and heart problems, higher weight, and higher alcohol consumption. On the other hand, for people that belong to a higher class, higher levels of class consciousness correlate with lower weight and alcohol consumption. Among people of the upper class, we did not find any relationship between class consciousness and life satisfaction or depressive state, and the pattern was unclear in relation to the prevalence of other diseases.

These results suggest that working-class members that have higher levels of class consciousness might actually pay a cost in that they experience a detrimental effect on their health and life satisfaction. This is perhaps because people might notice how badly off they are compared to other members of their society and this might have consequences for their health and on how satisfied they are with their life, as research on inequality has previously shown (Oishi et al. 2011; Wilkinson & Pickett, 2009). On the contrary, people that belong to a higher social class may be aware of inequality, but they do not suffer the negative consequences of it to the same extent.

These two pieces of research are good examples of how empirical work on class consciousness directly connects with research on inequality and social class by providing information about the mechanisms involved in the relationship between individual-level class membership and the social structure. Interestingly, the correlates of social class at the social level indicates that class consciousness

is indeed connected with inequality, especially among rich countries. However, at the individual level, class consciousness has a detrimental effect on working-class people's life satisfaction and health. Class consciousness can be seen as an available way to cope with inequality; however, the negative effects that class consciousness has at the individual level might discourage working-class people from challenging inequalities because of the cost that this could have in their life satisfaction and health.

Future Research Directions on Class Consciousness and Inequality

Research on class consciousness might provide a good avenue for exploring some of the most pressing issues concerning inequality. For example, questions on how people psychologically cope with inequality can be addressed using this concept. Moreover, the concept of class consciousness might be a fruitful tool to understand how psychological processes and social processes are connected, identifying specific mechanisms and functions associated with this relationship. By doing so, this research is tapping in some of the most relevant challenges in the social sciences today. On the one hand, it facilitates interdisciplinary research between disciplines examining the psychological, sociological, and economic aspects of the problem of inequality (Calhoun, 2017). On the other hand, it constitutes an opportunity to connect research conducted at different levels of analysis, providing the conceptual tools to develop multilevel theories (Sidanius et al., 2017). How then can we take forward social psychological research on class consciousness?

There are at least four lines of empirical research on class consciousness that might be worth pursuing. First, building on classic theorizing, future research might focus on developing a better understanding of whether class consciousness indeed generates changes in the social class structure and/or whether it directly affects levels of inequality. This research would benefit from a longitudinal perspective that relies on large-scale sampling and indicators at the societal level. It would be necessary to observe how changes in social levels of class consciousness have an impact on indicators of income distribution, or conversely whether changes in the levels of inequality impact the levels of class consciousness.

Second, further research should explore in detail the consequences of developing class consciousness for individuals. Here we showed preliminary correlational evidence of a negative impact in the overall well-being of those members of the lower classes who present higher levels of class consciousness. It is relevant to study the causal relations between those elements and to replicate the findings in other contexts. Cross-national and longitudinal data might help to address this issue.

Third, we expect that those individuals who develop class consciousness not only suffer from its negative consequences, but also engage in collective action to confront inequality. This claim, however, is still untested. Class consciousness

might prove to be a relevant concept to extend the literature on collective action in the context of social inequalities.

Finally, it is also relevant to understand the differential effect that class consciousness has on people depending on their social class. Most of the research we have outlined here focuses on the members of the working class. However, it is also relevant to understand how class consciousness impacts people from the upper class. This can go in two opposite directions: some people might use class consciousness as a way to identify their class interest and then to defend their privileges, while others might react the exact opposite, by rejecting their position, distancing themselves from the upper class and actually fighting inequality. Both reactions can be observed among political leaders and activists; however, the mechanisms underlying these behaviors remain to be clarified.

Conclusion

The development of the psychology of inequality and the recent approaches to understand social class within psychology opens up opportunities to reconsider the classic concept of class consciousness. This concept helps to address some of the most pressing issues in social psychology. On the one hand, this is a concept that allows to explain at both a theoretical and empirical level how psychological processes have an impact in the formation and maintenance of social structures. On the other hand, consideration of this concept also allows for the study of psychological mechanisms that restrain people from developing strategies to challenge social hierarchies. People from the working class who develop higher levels of class consciousness, which might be expected to be a driver for challenging the status quo, pay a cost by having a detrimental effect on their life satisfaction and health.

In this chapter, we proposed a renewed definition of class consciousness, raised relevant research questions on the topic, suggested ways to operationalize this variable for empirical research, provided some initial evidence, and set a research agenda with pressing issues on the topic. Because the concept of social consciousness might provide useful avenues for research that has social impact beyond the boundaries of the academic world, we hope that social psychologists share our optimism for the potential that this concept might have for the field.

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Part V
Why and How Is Inequality Maintained?

The Language of Social Inequality



Martha Augoustinos and Peta Callaghan

This chapter examines the language of inequality and how it is articulated in everyday talk and social interaction. Drawing on research examining talk about racial, gender, and income inequality, we show how the language of social inequality is patterned by the flexible use of contradictory liberal egalitarian principles. Through the flexible deployment of these principles, social inequality is typically rationalized and justified, particularly but not exclusively by members of dominant groups. Although principles of fairness and equity are often appealed to as core values of a just society, these are typically undermined by self-sufficient liberal individualist arguments that anyone can succeed if they try hard enough and everyone should be treated equally (i.e., the “same”) despite pre-existing social disadvantage. We demonstrate the implications of this language of neoliberal practical politics and how it functions to justify existing social inequalities and deny the need for social change.

As the burgeoning literature in discursive psychology has shown (Augoustinos & Tileaga, 2012), language and how it is used in text and talk (discourse) is not merely important because it is the main vehicle through which we transmit and communicate values, ideals, and attitudes: it is also the main site through which we construct and negotiate versions of reality, in particular contested constructs such as equality/inequality, social justice/injustice, fairness/unfairness, etc. These are never neutral or objective terms but are flexibly built and articulated with linguistic and rhetorical tools to accomplish social actions: to explain, argue, justify, blame, defend, and present oneself in a certain light. Language or discourse is therefore constructive, is oriented to action, and builds social identities (Potter & Wetherell, 1987; Edwards & Potter, 1992). It is therefore much more than a mere conduit of internal pre-existing cognitive contents: it is the motor of social interaction and being in the world.

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Racial Inequality

There is now a large body of research that systematically examines the language of racial inequality both in formal institutional discourse and everyday conversation (Augoustinos & Every, 2007). Collectively this body of work has identified recurring patterns of talk and rhetorical arguments that are combined flexibly by majority group members to justify negative evaluations and stereotypes of racial minorities, immigrants, refugees, and other marginalized groups. Changing social norms in most liberal western democracies in the latter half of the twentieth century against the open expression of racist sentiments has led to ways of talking about racial and ethnic minorities that rationalize and justify existing racial inequities while at the same time protecting speakers from charges of racism and prejudice. Indeed denials of prejudice are ubiquitous and typically associated with appeals to reason and rationality: speakers justify and rationalize their negative views by grounding them in the external world, rather than in one's internal (and therefore potentially racist) psychology (Billig, 1991; Edwards, 2003). Such denials not only attend to the positive self-presentation of speakers but also allow what otherwise would be "unsayable" to be said (van Dijk, 1992).

As Billig (1991) points out, prejudice to "prejudge" is widely recognized as violating a common sense belief in the values of reason and rationality, which have increasingly become the very underpinnings of democratic societies. To justify their views, speakers often appeal to observable and thus purported "factual" claims about minority outgroup behavior that is represented as negative, antisocial, or transgressing the dominant group's social norms. These factual claims often take the form of telling first-hand personal stories of undesirable outgroup behavior (van Dijk, 1992). Presenting negative views of outgroups as a concern with more socially acceptable issues, such as economic parity, is a common way of externalizing such negative views and presenting them as justified and warranted. In the following example, the speaker rationalizes their negative views of Indigenous Australians in terms of "justifiable" anger that people feel over government support that some Indigenous Australians receive.

Extract 1

Well, everybody I heard or I speak to, they're all for Aboriginals getting a fair deal but they are sick and tired of governments handing over money. 'Why do they get extra? Why do they do this?' So, I don't know whether that comes down to a racial issue or not, or it's just them seeing that they're getting a lot of gear (?) handed to them on a sort of plate. (*Ah hum*) and that causes racist comments or comments and attitudes to become umm negative (*Mmm*). So, they're not, they may not necessarily have racist attitudes . . . So what I'm saying is that it's negative but I don't think it's due to the colour of a person's skin. I think it's because of the social, umm, ADVANTAGES that they perceive them to have. (Augoustinos, Tuffin, & Rapley, 1999, p. 367)

The speaker begins his argument by using a formulaic disclaimer designed to ward off attributions of a prejudiced identity: "we're all for Aboriginals getting a fair deal but," and moreover attributes this reasonable position to "everybody I heard or I speak to," a consensus warrant, something upon which everyone agrees (Edwards & Potter, 1992). This helps build the veracity of his views grounding them in the exter-

nal world rather than in his potentially racist psychology (Edwards, 2003). This is a typical account where speakers deracialize their views by attributing their negative accounts of Aboriginal people to the social advantages they are perceived to have and not on the “color of their skin.”

The justification and legitimation of racial inequality therefore does not have to be explicitly racist: indeed, discursive practices that are deracialized (i.e., language that explicitly avoids references to racial categories) possess distinct advantages, especially if they are grounded in the classic liberal tropes of freedom, individualism, equality, and progress. In their classic text, *Mapping the Language of Racism*, Wetherell and Potter (1992) identified a core set of commonplace arguments that were deployed by majority group members to justify existing inequalities between the original Maori population and the white majority Pakeha in New Zealand. These commonplaces functioned as “rhetorically self-sufficient” arguments that required little elaboration or explanation. Based on the liberal intellectual tradition, principles such as freedom, equality, and individualism were recurrently drawn upon by speakers in their talk to account for and rationalize their views. Taken-for-granted arguments such as “everyone should be treated equally,” “minority opinion should not carry more weight than majority opinion,” “anyone can succeed if they try hard enough,” and “you have to be practical” constituted a tool-kit of “practical politics” that were used flexibly in the discourse of Pakeha New Zealanders to rationalize and justify existing racial inequalities (Wetherell & Potter, 1992).

“Everyone should be treated equally” is an argument that is commonly mobilized in text and talk opposing affirmative action policies as a means of redressing the lower representation of minority groups in education and employment (see also Day & Fiske, chapter “[Understanding the Nature and Consequences of Social Mobility Beliefs](#)”). The following is an extract from a discussion between university students on the appropriateness of affirmative action policies to increase the participation of Indigenous students at Australian universities. Note the speaker’s use of the ubiquitous disclaimer (“not because I’m racist or discriminating but”) to argue that such policies undermine the liberal individualist principle of merit (“I think that merit is the most important thing”). Implicitly, the speaker also invokes the self-sufficient argument that “everybody can succeed if they try hard enough,” for in this construction, equality of opportunity in Australian society is an assumed given.

Extract 2

A: I think although too that they must ask themselves because I know I would that are they getting it because of their merits or are they getting it because of what they are (Mmm)? And I’m one against sort of holding places open for specific groups (Mmm) umm not because I’m racist or discriminating but because I think that merit is the most important thing you give a person the job because you think they are capable of doing it not because of who they are and I know that if I was put to that situation I probably would prefer not to take that job because I wouldn’t have, I’d never know whether I got the job because I might be male or because I’m white so it’s I think it’s a really difficult line to walk. (Augoustinos, Tuffin, & Every, 2005, p. 324)

Affirmative action programs for Indigenous students were constructed by the speaker as inherently problematic because they were seen to violate meritocratic principles and by making salient social group membership. In contrast the speaker’s

own identity as a member of a dominant white majority and the taken-for-granted advantages and opportunities this confers is notably absent from consideration. Indeed, the speaker implicitly assumes that their own social position was achieved meritoriously, through their own inherent abilities and individual qualities and not on the basis of “who they are.” We can see here in this talk how white race privilege is not only legitimated and justified but also how it is rendered invisible by its occupants. Such accounts function to deny the need for social change through social policies such as affirmative action and thus serve to reproduce and legitimate the existing status quo.

The self-sufficient rhetorical argument “you have to be practical” is perhaps just as ubiquitous in race talk as the denial of prejudice. While on the one hand speakers invariably espouse egalitarian principles and ideals, on the other, these principles are undermined by practical considerations. Such “practical talk” is deployed in ways that, again, function primarily to justify and legitimate existing social inequities in society. Wetherell, Stiven, and Potter (1987) have referred to this as the principle/practice dichotomy in which a principle is cited but then is immediately undercut by the impracticalities that the upholding of this principle would entail. The following example about the desirability of teaching the Maori language in New Zealand schools, on the one hand, but its practical limitations in a “Western world” on the other illustrates this principle versus practice dichotomy.

Extract 3

Ah well you know I hope when I retire that I will learn the Maori language, I think it (.) I want to learn it you know because I think I have to learn it, but I'd like to, but I think it's they (.) unfortunate with these Te Kohanga Reo situations, is that, you know, they're sort of forcing Maoris and peop (.) forcing Maori children to learn Maori language, well I can see it has no value in our education system. Now they'll straight away say that our system is wrong. But um er er you know as far as the Maori language is concerned, singing and that sort of thing and on the marae, it has its place. But in a Western world it has no place at all. (Wetherell & Potter, 1992, p. 188–189)

This research on the contemporary language of racial inequality has been able to explicate the precise manner by which people articulate a complex set of positions which blend egalitarian views with discriminatory ones. Liberal principles of equality, justice, and fairness become ideological resources that can be used in the service of justifying inequities and, indeed, of giving expression to views and practices which are arguably discriminatory. Discursive research has demonstrated how “attitudes” about race and ethnicity and cultural difference are organized rhetorically and flexibly when they are produced in their more natural context of everyday discourse. Whether or not such talk is “racist” in and of itself is a moot point. What is clear however is that such discourse functions in ways that legitimate and rationalize existing racial/ethnic inequities.

Gender Inequality

Despite advances in the social and economic status of women in liberal democratic societies over the last 50 years, gender inequality and discrimination remain intractable problems. Women continue to face systematic inequalities in all walks of life including disparities in pay, sexual harassment, and underrepresentation in senior leadership positions and roles and continue to carry the burden of unpaid work in the home including childcare. Like the research on racial inequalities described above, discursive studies have examined how gender inequalities are socially reproduced and legitimated in discourse despite significant challenges to traditional understandings of gender. One of the first of these studies was reported by Wetherell et al. (1987) who analyzed how final year university students accounted for employment opportunities, careers, and child rearing in semi-structured interviews. Although almost all students explicitly endorsed the principle of equal opportunity for men and women, at the same time, they provided detailed accounts about the practical constraints that prevented this from becoming a reality: constraints such as the biological inevitability of women bearing children and the attendant responsibilities of childcare. These practical considerations were deployed in ways that justified existing gender inequities in work, career and parenting. Wetherell and colleagues demonstrated how the deployment of these contradictory repertoires constituted a form of “unequal egalitarianism” that, on the one hand, appeals to the ideals of equality but, on the other, justifies the practical difficulties in realizing equitable gender relations.

Furthermore, their analysis demonstrated how speakers provided predominantly individualistic and psychological accounts of gender inequities in work, career, and parenting responsibilities. In these accounts individuals were constructed as possessing a set of inherent and stable traits and abilities that they brought with them to the job market. Social change in the status of women was seen as being the primary responsibility of individual women who needed to “prove themselves” to employers that they were just as capable and worthy as their male counterparts. Thus an interpretative repertoire of individualism and meritocracy is featured largely in explanations for existing gender inequalities. We see this explanation in the following extract:

Extract 4

Interviewer: Are you happy with the roles women play in the world of work and employment?

Respondent: Um, I think it is probably expanding but at the moment no I don't, but I think that's the fault of the woman rather than society in general . . . Um, I think you just have to prove yourself worthwhile of your position in a company. Just show that you're capable doing the same as any man. It's up to the individual woman to do. (Wetherell et al., 1987, p. 67)

Building on this study, Riley (2002) conducted open-ended interviews with professional men on their views about gender and inequality in the workplace. After analyzing the interview transcripts in some detail, Riley found that equality was largely

defined in terms of treating everyone the same, regardless of social category membership. In these accounts, social groups were stripped of their historical and social location in society and were positioned as equivalent and interchangeable. Discrimination was seen as transgressing this abstract ideal of equality and was constructed as any practice or principle that made one's social category membership salient. An "individual abilities" repertoire that emphasized the importance of merit, regardless of social category membership, was thus pervasively deployed to account for employment opportunities in the workplace. Riley demonstrated how these individualist and gender-neutral repertoires functioned to legitimate the existing gender inequities in the workplace and to undermine interventions that sought to improve women's opportunities. Moreover, she argued that such a neutral account of groups that masked differences in power and status relations negated the need for policies to facilitate the advancement of historically disadvantaged groups such as women. Notably absent from the men's talk were alternative constructions of equality and discrimination that attended to the structural and social aspects of men's (privileged) and women's (disadvantaged) historical positions.

As we pointed out previously, an important feature of this discursive analysis is its ability to explicate how people manage to hold contradictory positions on gender and equality. On the one hand, these professional men were supportive of gender equality in the workplace, but on the other, they were not prepared to support interventions such as affirmative action for women to facilitate this equality. Indeed, this was constructed as a discriminatory practice that transgressed abstract principles of treating everyone the same. As with discursive research on race, we see again how social policies designed to facilitate social change are opposed despite explicit avowals to gender equality and equal opportunity.

These studies are of course around 20 years old now so it is reasonable to query whether this language is reflective of contemporary society. Indeed, there has been much written about a postfeminist era in which it is argued gender equality has been achieved and sexism is no longer a problem (Gill, 2007). Although still a contested term, postfeminism claims that given its success, feminism has become increasingly irrelevant and passé to a younger generation of women whose sensibilities are more likely to be shaped by neoliberal ideologies of individualism and choice (Gill, 2011). As many critics of postfeminism have argued, however, sexism has not disappeared, but like modern racism has become more ambivalent and subtle. As such, women are relatively disinclined to recognize expressions of modern sexism as prejudicial (Barreto & Ellemers, 2005). Women who challenge or speak up against sexism are perceived negatively (uptight, aggressive, humorless) and risk being ridiculed (Gill, 2007, 2011). Indeed both experimental and discursive research have found that challenging sexism is risky for most women (Worth, Augoustinos, & Hastie, 2016). Thus, as Gill (2011, p. 63) argues, "the potency of sexism lies in its very unspeakability."

In more recent years, however, the rise of social media has created a platform for women to share their experiences of sexist behavior, thereby challenging this notion of its "unspeakability." The #MeToo movement erupted in 2016 in order to highlight the magnitude of the problem of sexual assault and violence (Mendes, Ringrose, &

Keller, 2018). Originally developed in 2006 by African American women's right's activist Tarana Burke, the movement gained massive traction on Twitter in 2016 when actress Alyssa Milano encouraged women to use the hashtag while sharing their stories of sexual assault, in the wake of sexual assault allegations against movie producer Harvey Weinstein (Mendes et al., 2018). The hashtag was used on Twitter over 12 million times in the first 24 hours (CBS, 2017) and represents a growing trend in digital communication – what has been coined “hashtag feminism” – in which sexism, misogyny, rape culture, and harassment are actively resisted and challenged in the public sphere (Mendes et al., 2018). How successful such movements will be in creating genuine and lasting social change however still remains to be seen.

Income Inequality

Unlike research on race and gender, there has been less research on how income inequality is constructed in everyday talk. Here we attempt to bring together research from a range of theoretical and empirical approaches to sketch out what the language of income inequality looks like. In examining the research from disparate sources, we found that income inequality is also accounted for by neoliberal ideological tropes which attribute inequality, namely, to individual causes that represent people as responsible for their position in society, including both the poor and the very rich. The neoliberal trope – work hard enough and you can succeed – is a significant hallmark of western democracies. Unlike race and gender which are typically perceived as fixed and essentialist categories, socioeconomic status is seen as fluid and changeable: social mobility (upward, lateral, or downward) is seen to be largely determined by the efforts and abilities of individuals. As critics have argued, this construction of economic status denies the structural nature of income inequality which can be intergenerational and related to access to opportunities for developing social and cultural capital (see Goodman & Carr, 2017; Harper, 1996; Manstead, 2018; Misra, Moller, & Karides, 2003). Our analysis demonstrates the pervasive ways in which the marginalized poor and the wealthiest 1% are constructed through neoliberal tropes, which similarly draw on constructions of responsibility to both defend and critique extreme inequality.

Attributions and Representations of Poverty

Early research in psychology examining income inequality focused specifically on everyday causal explanations for poverty. This body of work was conducted in the 1970s and 1980s through the lens of attribution theory which was dominant in social psychology during that period (e.g., Feagin, 1972; Feather, 1985; Furnham, 1982). Using quantitative attitude scales, this research identified three underlying factors in

causal attributions. These included individualistic or dispositional attributions (traits and characteristics such as laziness, lack of thrift, promiscuity, drug and alcohol abuse which blamed the poor themselves), fatalistic attributions (fate, bad luck, illness), and structural attributions (economic and social conditions, low wages, job insecurity, poor education). Typically this research has found that individualistic and dispositional attributions for poverty were preferred over other explanations but were more likely to be endorsed by middle-class and politically conservative respondents (Cozzarelli, Wilkinson, & Tagler, 2001, Feagin, 1972; Furnham, 1982; see also Fiske & Durante, chapter “[Mutual Status Stereotypes Maintain Inequality](#)”). Individualistic and dispositional attributions are also more prevalent in Anglo-Saxon than Continental and Nordic countries where structural attributions have been found to be more dominant (Niemelä, 2008).

Attribution research however is primarily predicated on a set of prescribed attributions/explanations provided by researchers which participants rate on quantitative scales and not on the actual language used by participants themselves. Studies that actually analyze the language of poverty and/or income inequality are few and far between, but what these few studies suggest is that poverty discourse is shaped by the moral economy of society, specifically perceptions of the role of the state in providing a safety net to those in need and how deserving they are perceived to be. The political emphasis on the responsibilities and obligations of the welfare state prevalent in the 1970s has dramatically shifted over time to a neoliberal trope of “welfare dependency” today which constructs recipients of welfare as “spurn[ing] low wage labour in favour of generous welfare benefits” (Cassiman, 2008, p.1693). As Cassiman (2008, p. 1692) argues: “The stories we tell, the words we use, the discourse of poverty, have shaped poverty policy.”

Definitions of poverty provide interesting discursive sites for examining this discourse. Misturelli and Heffernan (2008) analyzed the evolution of definitions of poverty over four decades (1970 to 2010) and found that while definitions in the 1970s were primarily material and quantitative with the establishment of “poverty lines” as diagnostic measures of poverty, by the 2000s the emphasis had shifted from defining poverty as a neutral fact to defining and identifying categories of the poor. Despite the increasing recognition over time that the causes of poverty are multifactorial and complex, the increasing focus on specific categories of the poor has led to the proliferation of negative and stereotypic representations of the most disadvantaged people in society, positioning them as blameworthy and morally accountable for their situation. The language of blame and welfare dependency (Misra et al., 2003) is explicit in the discursive construction of categories such as “welfare queens” and “deadbeat dads” in the USA (Cassiman, 2008) or “chav mums” in the UK (Tyler, 2008). The moral imperative underlying the language of welfare dependency is typically predicated on the self-sufficient argument that everyone can succeed if they are willing to work hard enough (Wetherell & Potter, 1992).

As Tyler (2008) argues, these categories of the poor are not only racialized and gendered; they also become affective figures that elicit emotional responses such as disgust and contempt. Their stereotypic depiction in the popular media as grotesque

comic figures contributes to the dehumanization of an underclass in ways that justify their social exclusion. The following extract from an article in *The Times* in 2006 illustrates the intensity of derision directed at “chavs” in the UK and how their social exclusion is justified.

Extract 5

... the Vicky Pollards and the Waynes and Waynettas of our world have got it coming to them. If they weren't quite so repellent, we wouldn't need to make jokes about them, would we? The function of satire is not only to make us laugh, but also, with luck, to draw our attention to the things that are wrong with the world and help mock them into extinction. (James Delingpole, 2006; cited in Tyler, 2008, p. 23)

These negative categories of the poor however are often contrasted with more sympathetic ones to differentiate between differing levels of moral worthiness among the disadvantaged. Subcategories such as the “working poor” in the USA and “bat-tlers” in Australia (Johnson, 2007) have been used to reference people who struggle to get ahead despite working hard and holding aspirational values. These positive categories of the poor have been mobilized in discourse by politicians across the political spectrum to extend both empathy and hope to those seeking upward social mobility and importantly to differentiate them from those deemed less worthy, specifically those dependent on welfare alone.

Social Class

Despite the persistence of entrenched and indeed increasing income inequality in western liberal economies, as many analysts have argued, since the 1980s social class has virtually disappeared within social and political discourse in most western liberal democracies (Skeggs, 2005). As Skeggs suggests, the disappearance and repudiation of class as an analytic category occurred at the same time as the political rhetoric of inclusion, classlessness, and social mobility became more prevalent. With the increasing availability of competing individualized (typically consumption-based) identities now on offer, social class has become less relevant to people's social identity. Tyler (2008) however argues that despite claims that the language of class has disappeared, the subcategories of an underclass such as “chavs” and “welfare queens” discussed above represent a “resurgence of the explicit naming of social class” (p. 22), albeit in different ways (see also Fiske & Durante, chapter “[Mutual Status Stereotypes Maintain Inequality](#)”).

Discourses of inequality, however, do not only include representations of the poor but also the rich. The fall-out from the 2007–2008 Global Financial Crisis (GFC) and the Occupy movement, which arose in response to it, is argued by Mausolf (2017) to have changed the conversation about inequality such that pejorative constructions of the very rich – typically referred to as the wealthy 1% – are becoming increasingly prevalent in public discourse. In particular, Mausolf (2017) argues that the numerous responses to the Occupy movement by President Obama and other US politicians facilitated broader discursive changes in the public at large.

In the extract below, Obama draws on notions of universal “American values,” such as fairness to emphasize the growing economic disparities in American society which are represented as undermining democracy itself.

Extract 6

There are some who seem to be suffering from a kind of collective amnesia...they want to go back to the same policies that stacked the deck against middle-class Americans for way too many years ... I am here to say they are wrong These aren't 1 percent values or 99 percent values. They're American values In the last few decades, the average income of the top 1 percent has gone up by more than 250 percent to \$1.2 million per year Inequality ... gives an outsized voice to the few who can afford high-priced lobbyists and unlimited campaign contributions, and it runs the risk of selling out our democracy to the highest bidderThat is the height of unfairness. (Barack Obama, 2011; cited in Mausolf, 2017, p. 111)

Such appeals to values-based norms that reiterate democratic and egalitarian principles can be used to acknowledge the systemic and structural factors that maintain and reproduce inequality. However, these same principles can be mobilized flexibly to attack criticisms of inequality. *The politics of envy* is a metaphor increasingly being used to counter critiques of growing inequality since the advent of neoliberal economic policies. This discourse draws on notions of meritocracy, suggesting that hard work *inevitably* leads to prosperity and should be rewarded. This is a fundamental neoliberal trope, “everyone can succeed if they work hard enough,” where opponents of this norm are constructed pejoratively as “envious” of those who succeed. The extract below demonstrates how the politics of envy was mobilized by Prime Minister Margaret Thatcher as long ago as 1978 to attack her political opponents, British Labour.

Extract 7

Today Labour seems to stand too often for ... policies that set one half of society against the other. There are many reasons for this. One stems from that least attractive of emotions, envy. This spirit of envy is aimed not only at those privileged by birth and inherited wealth. ... It is also directed against those who have got on by ability and effort ... ordinary people – small businessmen, the self-employed – are not to be allowed to rise on their own. They must rise collectively or not at all. Envy is dangerous, destructive, divisive. (Margaret Thatcher, 1978; cited in Ahier & Beck, 2003, p. 321–2)

This trope however is not unique to those on the political right. We see below how Tony Blair also mobilized the politics of envy trope to differentiate his leadership and that of New Labour from the traditional class-based politics of the Labour Party.

Extract 8

I want a country in which people get on, do well, make a success of their lives. I have no time for the politics of envy. We need more successful entrepreneurs, not fewer of them. But these life-chances should be for all the people. And I want a society in which ambition and compassion are seen as partners not opposites – where we value public service as well as material wealth. (Tony Blair, 1997; cited in Ahier & Beck, 2003, p. 322)

Thus Blair's Third Way politics was one that appealed to neoliberal free market economic policies and social equality at the same time, giving rise to ideological dilemmas produced by these contradictory repertoires (Weltman & Billig, 2001).

As with research on race and gender, how ordinary people make sense of these ideological dilemmas – between liberal individualism, on the one hand, and egalitarian norms on the other – has been examined by Sachweh (2011). The following extracts are taken from interviews with people from privileged and disadvantaged social classes around Bremen, Germany. Sachweh (2011) demonstrates that ordinary people see merit-based wealth as acceptable because it is rooted in individual effort. Although they seem comfortable with a certain level of inequality, excessive wealth, however, is seen as morally unjustified.

Extract 9

A person having studied medicine, for instance, should be entitled to a higher salary [. . .]. [W]ell, a metalworker has also put in some effort, but . . . well. I just think that the doctor has put in a bit more, for finishing his education. (Long term unemployed, 51 years, ‘lower class’)

Extract 10

‘I think it’s fair that the well-to-do should have more; they have the knowledge [. . .] or have been to college and so on. But not *this* amount and ever more!’ (Unskilled employee, receives benefits, 53 years, ‘lower class’). (Emphasis in original)

The moral disdain for excessive wealth was also shared by middle-class respondents.

Extract 11

With these better-off people, they’re all about having two or three cars in their garage, or another summer residence here, or the big mansion. For me, that’s really beyond the normal satisfaction of everyday needs. Luxury is okay, but when it becomes all about topping each other, then that’s something that’s not really necessary in a civilized society. (Self-employed entrepreneur, 38 years, ‘middle class’)

Extract 12

There are those people who are really rich and a small group that becomes even richer. I think that’s almost immoral [laughs]. I think that shouldn’t be. [I: Why?] Well, to say I’m giving a party, and it costs 30 000 euros—I think that’s just not appropriate. That’s pouring money down the drain. It’s like bathing in champagne. It’s getting out of hand. Especially when you know that there are people doing a lot worse. (Self-employed district manager, 55 years, ‘upper middle class’)

Although these accounts adhere to neoliberal ideals about wealth by reinforcing the notion that hard work should be rewarded, such ideals also give rise to an ideological dilemma with the awareness that some work is more highly valued than other work and that excessive wealth is morally unjustifiable.

Conclusion

In this chapter we have examined the language of inequality and how it is articulated in everyday talk and social interaction. Specifically, we looked at how such language is patterned by the use of liberal egalitarian principles. We demonstrated how different types of social inequality – race, gender, and income – are rationalized and

justified through self-sufficient liberal individualist arguments that anyone can succeed if they try hard enough and that everyone should be treated equally. In this way, the neoliberal tropes of individualism and hard work justify all three forms of inequality discussed here, so that gender, race, and economic injustice are rendered invisible in such constructions, and discourses acknowledging structural and social aspects of disadvantage are notably absent.

Deracialized accounts of racial inequality that are grounded in classic liberal tropes of freedom, individualism, and equality serve to justify inequality, require little elaboration or explanation, and are therefore rhetorically self-sufficient (Wetherell & Potter, 1992). Similarly, constructions of gender inequality which are rendered through appeals to individualism and meritocracy, where “everyone should be treated the same,” deny the entrenched structural disadvantages that women continue to face. Income inequality is also justified through discourses which explain and define the causes of inequality in individualistic terms, discourses that argue that the playing field is level and all one needs to be successful and to get on in life is to work hard. In the wake of the 2007–2008 Global Financial Crisis, however, these liberal individualist tropes became increasingly challenged, but whether this leads to a sustained critique of neoliberal economic policies has yet to be seen. Instead “austerity” measures have been introduced especially throughout Europe and the UK which have disproportionately affected the poor and disadvantaged.

In conclusion how we talk about inequality is consequential, not only for how we understand our social world and our position in it but also for the solutions we generate for redressing inequality and social disadvantage. Indeed, the language of inequality has the power to shape social policy (Cassiman, 2008). Although liberal individualist principles of merit and worth are powerful rhetorical tropes which often serve to maintain and justify existing inequality, we should not lose sight of the countervailing ideological traditions of egalitarianism and social justice that have shaped liberal democracies. Harnessing the rhetorical power and cultural dissemination of these values cannot be underestimated in challenging the excesses of neoliberalism and the legitimation of social inequality.

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Mutual Status Stereotypes Maintain Inequality



Susan T. Fiske and Federica Durante

Most human societies stratify by power and status, but some are more unequal, with bigger gaps than others. Stratification may be virtually inevitable, but dramatic inequality is not. Stratification has well-known intergroup and interpersonal effects, mostly to the advantage of the powerful and higher status (Fiske, 2010). Inequality exaggerates that advantage and, with it, the resentment that society needs to manage. One societal coping strategy is social class stereotypes.

As noted by Tajfel (1981), socially shared group stereotypes, such as those discussed in the current chapter, may help people to understand complex phenomena (e.g., economic inequality) and justify the actions implemented toward some groups (e.g., distribution of resources). Although, as illustrated below, class resentment emerges for different reasons in low- and high-SES people, stereotypes may contribute to the maintenance of unequal systems, by providing an account for inequality and a convenient target for cross-class resentment. For these reasons, we have focused our analysis on the content of such stereotypes.

First, we provide a brief introduction on the origins of class resentment. Then we focus on social class stereotypes, highlighting their ambivalent content; how they operate in both directions, up and down the hierarchy (so they are mutual); and their implications in maintaining inequality. We further discuss warmth and competence downshifts in cross-class interpersonal interaction as a strategy to cope with threatening class stereotypes. Finally, we conclude by suggesting some paths to reduce inequality and, therefore, mutual class resentment.

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Inequality Creates Mutual Resentments

Inequality creates social class resentments that are mutual but distinctive. The qualities of class resentment depend on relative position (status) and perceived mobility, as well as macro-economic conditions (resource competition). Besides the fact of group differences (inequality), these other socio-structural factors help explain resentment.

The macro-sociology of emotions (Barbalet, 1992) distinguishes between ascendant and descendant groups (Bensman & Vidich, 1962). The former benefit from the upward movement of the economic trade cycle (their incomes grow faster than costs); the latter suffer a decline in the downward movement of the cycle (their incomes decrease faster than costs). These structural conditions impede or facilitate, respectively, rising resentment, which can affect all social classes.

For instance, “the economic upswing in Britain, which began after the slump of 1955–1958 and continued more or less until 1966–1967, in fact led to a reduction in the class resentment of industrial workers in manufacturing” (i.e., *the affluent workers*; Barbalet, 1992, p. 157). The situation however reversed in the following decade, when the downward cycle occurred. Descending groups are likely to experience resentment if they are losing the resources and privileges accumulated in the preceding ascending cycle and direct such resentment toward those who are perceived as a threat to their status. “Thus white-collar workers may resent unionized blue-collar workers, and manual workers may resent welfare recipients” (Barbalet, 1992, p. 157). Finally (according to Bensman & Vidich, 1962), groups in an already-disadvantaged economic position before downward cycles tend to resent and reject the whole constituted society and may radicalize (but see Mols & Jetten, 2017, for radicalization of relatively affluent sections of the population).

Class resentments, generated by class inequality, economic trade cycle, and the political and civic culture, matter to society and lead to action (Barbalet, 1992), including support for populist political parties (Salmela & von Scheve, 2017). In the post-industrial capitalism of the twenty-first century, jobs have become precarious, making workers feel insecure, vulnerable, and replaceable (Silva, 2013; Volpato, Andrighetto, & Baldissarri, 2017). This transformation, along with the 2008 global financial crisis, which increased inequality, has affected not only classes who are facing a downward trajectory (i.e., ethnic-majority working class, such as coal miners, steelworkers, shipbuilding craftsmen; Fenton, 2012) but also social classes who fear a *déclassement* (i.e., downward mobility for the middle class; Salmela & von Scheve, 2017; see also Jetten, Mols, Healy, & Spears, 2017; Osborne, García-Sánchez, & Sibley, chapter “[Identifying the Psychological Mechanism\(s\) Underlying the Effects of Inequality on Society: The Macro-Micro Model of Inequality and Relative Deprivation \(MIREd\)](#)”). In this view, one of the mechanisms that explain the support for populist parties resides in how worry and uncertainty—experienced in post-industrial societies—transform “into anger, resentment and hatred towards perceived ‘enemies’ of the self, such as immigrants, refugees, the unemployed, and

political and cultural elites” (Salmela & von Scheve, 2017, p. 587; but see Mols & Jetten, 2016, re support for populist parties in times of economic prosperity).

Social psychologists can explain the intergroup and interpersonal dynamics of mutual but distinct class resentments. In particular, social class stereotypes may be readily used to justify both class resentment and its targets.

Low-SES People Resent Elites for Disrespecting Them (and Favoring the Even-Lower Riffraff)

In-depth ethnography provides a qualitative grounding for quantitative studies that follow. Across the USA, several working-class communities demonstrably seek respect for their work ethic, values, and resilience—as communities, families, and individuals (e.g., Cramer, 2016; Hochschild, 2016; Isenberg, 2017; Sherman, 2009; Silva, 2013; Vance, 2016; Williams, 2017; Wuthnow, 2018). Often their self-affirmed dignity takes a moral tone about work ethic (e.g., Sherman, 2009); even if currently unemployed, morality adheres to those actively seeking work, those drawing unemployment assistance because they once worked, and those drawing disability benefits if they were injured on the job. Working is relevant to all adults, but gendered: Men ideally occupy the breadwinner role through masculine jobs requiring upper-body strength (e.g., construction) or fearlessness (e.g., firefighting). If women work, they should work only to support the family (Sherman, 2009).

These moral self-concepts imply that other groups should uphold the same standards, justifying (a) resentment of outgroups that occupy a similar class position but are seen as violating work ethic and (b) privileged people who support those outgroups. In rural Wisconsin, for example, the logic runs: Our taxes are expensive, but we see few benefits, so the money must be going to city people (code for minorities and White professionals) (Cramer, 2016).

In the USA, the White working class views African Americans and immigrants as taking government aid without having earned it (Hout & Hochschild, 2018). One vivid image (Hochschild, 2016) describes waiting in line for the American Dream. In the middle of the line are White, Christian, heterosexual, older, mostly men, showing moral character by patience, not complaining; behind are the poor, younger, minorities. Suddenly, ahead are line cutters: Blacks, women, immigrants, refugees, and government employees all unfairly getting special treatment by the federal government. Liberal elites are seen to encourage this travesty of unfairness, telling the working class what to feel (compassion) and patronizing them as ignorant. Some (Vance, 2016) report feeling persecuted by the elites, who tell them how to think about religion, science, art, and sexuality. But they view the real moral line as falling between the working poor (us) and the nonworking poor (them), who exploit unearned government assistance. Others report feeling betrayed (Silva, 2013): working hard, borrowing for an education, being self-reliant, but then failing to complete education or find reliable appropriate work, because of society’s false

promises that favor elites. All this leads to class resentment toward the line-cutters and toward the elites who favor them.

Populist ideology does not stem from personal economic concerns but rather from resentment of minorities and immigrants (see Jetten, Mols, & Postmes, 2015, for the role of relative deprivation and relative wealth in anti-immigrant sentiments); outsiders take shared resources and do not play by the rules, while advantaged Whites, who control government, disrespect lower-SES people's commonsense values: hard work, personal responsibility, local interdependence, and patience (Wuthnow, 2018). Low-SES people resent elites for disrespecting them (and favoring the riffraff, the undeserving poor who use government benefits). What stereotypes fit this view of higher-SES people?

Images of Arrogant Elites: Competent but Cold

In words attributed to F. Scott Fitzgerald, "the rich are different." An apparent positivity bias toward high-SES people seems to emerge in social science studies (cf. Horwitz & Dovidio, 2017; Wu, Bai, & Fiske, 2018). They certainly appear more competent than individuals of lower SES—a judgment that extends to their groups and institutions (Fiske, Dupree, Nicolas, & Swencionis, 2016; Mattan, Kubota, & Cloutier, 2017)—as well as seeming more sophisticated, educated, and hardworking (Christopher & Schlenker, 2000; Parker, 2012; Ragusa, 2015). But as working-class resentments suggest, all is not rosy for upper-class stereotypes. To compensate for these positive descriptions along a competence dimension, negative ones often appear on an orthogonal dimension. So, high-SES people are seen as dishonest and immoral (Christopher & Schlenker, 2000) and as "selfish, out of touch snobs" (Ragusa, 2015, p. 328).

These mixed characterizations fit the Stereotype Content Model (SCM; Fiske, Cuddy, Glick, & Xu, 2002), which posits that societal stereotypes—including class stereotypes—are often ambivalent. According to the SCM, the content of stereotypes is organized around core dimensions of social perception: warmth (friendliness, trustworthiness) and competence (capability, agency) (Fiske, Cuddy, & Glick, 2007). Groups' images are ambivalent when portrayed as high on one dimension and low on the other. Because a group's socioeconomic status predicts competence judgments, and perceived group competition predicts warmth, economic elites are generally perceived ambivalently: as competent, due to their high SES, but as cold and untrustworthy due to their self-interest in maintaining their advantages in the social hierarchy and perhaps exploiting others to get there (e.g., CEOs and lawyers). This stereotype content elicits envy and resentment (Fiske, 2011).

Despite the fact that psychology directed its attention mostly to understanding poverty, not wealth (Bullock & Reppond, 2018), and that US studies predominate, the economic elites' stereotype is widely shared. SCM surveys show that the ambivalence characterizing the high-SES stereotype is widespread across countries (Durante, Bearns Tablante, & Fiske, 2017; Durante et al., 2013; Wu et al., 2018).

Further, the ambivalence characterizing the rich-people stereotype increases in more unequal countries (Durante et al., 2017). Using data from 39 samples collected in 27 nations on 5 continents, inequality (measured by the Gini index) moderated attributions of warmth to rich people. Although perceptions of their high competence seemed unaffected by the level of nations' inequality, rich people were perceived as colder in more unequal societies, reflecting resentment.

Ambivalent stereotypes, such as this one, are also consistent with the compensation hypothesis (Judd, James-Hawkins, Yzerbyt, & Kashima, 2005): A positive/negative perception on either warmth or competence is compensated by a negative/positive one on the other dimension; this motivated process, in the case of societal stereotypes, likely aims at the perception of a system as fair and balanced (Kervyn, Yzerbyt, & Judd, 2010). In the case of rich people, because of their perceived competence, "justice" is re-established by denying them warmth (i.e., "no one can have it all"). Thinking of economic elites as intelligent but cold, immoral individuals may blur class inequality, which becomes less vivid and salient and more acceptable. Upper classes may seem competent, but ambivalence complicates the stereotype. Therefore, the unfavorable aspects of ambivalent stereotypes may do little to change economic inequality.

Furthermore, the cross-culturally shared perception of the rich as competent, capable, skilled people highlights another widely shared belief, namely, the meritocratic conviction that status links to talent and abilities. Ironically, the term *meritocracy* was coined in a dystopian essay (Young, 1958) describing a fictional society that stratifies entirely by intelligence and merit—all intended as a warning: Rigidly applying the meritocratic principle risks a society even more deeply marked by the inequalities it meant to reform. Despite the author's intention, the term took on a positive connotation and, considering the SCM evidence, not only in Western societies. This meritocratic belief helps to maintain inequality: If one thinks that individuals get what they deserve and deserve what they get, one can more readily accept the social classes' positions on the social ladder and believe that the system is fair (see also Day & Fiske, chapter "Understanding the Nature and Consequences of Social Mobility Beliefs"). This, on the one hand, encourages people's acquiescence even in the face of severe inequality and, on the other hand, augments the sense of entitlement of the societal elites.

At the individual level, however, the way high-SES people believe others perceive them may affect their cross-class interactions (e.g., Vorauer, Main, & O'Connell, 1998). In fact, being the target of comparison in upward social comparisons can be an unpleasant experience because, as noted, it can translate into being the object of envy and resentment (Exline & Lobel, 1999). So, individuals engaged in cross-class interactions (as well as interracial interactions; Bergsieker, Shelton, & Richeson, 2010) aim to disconfirm status-based stereotypes, as illustrated next.

If Affiliation-Seeking, Higher-Status Interlocutors Do Talk Down to Overcome Resentment

People know how society views their group; SCM research obtains only minimal ingroup favoritism (Fiske et al., 2007). So high-SES people know and can take for granted their perceived competence. In cross-class interactions, they do not have to prove their ability. But they also know they risk being seen as cold and therefore resented by someone of lower status. They may want to show their alleged warmth, if they care about their image in the other's eyes. People do differ in their sensitivity to being the target of a threatening upward comparison (Exline & Lobel, 1999), but on average, if higher-status people have a concern, it is about their reputed warmth, because they know they are resented.

As noted, warmth and competence often compensate, so being positive on one dimension can imply being low on the other. Self-presenters understand this trade-off, so aiming to seem warm entails not only coming across as nice and trustworthy but also downplaying one's competence (Holoien & Fiske, 2013). Explicit goals to seem nice motivate this strategy of downplaying one's competence. Likewise, downward status comparison makes the higher-status person hide competence, to appear warmer (assuming they want to affiliate). In one "workplace initiative" scenario, participants were randomly assigned to be higher status, interacting with a lower-status co-worker; the high-status self-presenters did indeed downplay their own competence, in an effort to appear warmer (Swencionis & Fiske, 2016); they rated warmth traits as more important to convey than competence traits, and they confirmed that warmth was indeed their goal. They also reported that their partner was likely to see them as more competent than warm. All this fits a concern with their stereotypic image being cold. (Liberal Whites likewise make a competence downshift in talking to a Black partner, Dupree & Fiske, 2019; race imitates status.) Higher-status interlocutors do try to "get down" with the [regular] people, in an apparent effort to seem more human and to avoid being resented.

Resentful Images of Lower Classes as Ignorant and Lazy (But Warm?)

Meanwhile, how does this cross-class interaction look from the other side? As noted, high-SES people's stereotype is sustained by the ideology that attributes economic success to work and individual merit; therefore, class privileges are deserved. Despite the fact that economic success is more related to social and cultural capital (Bourdieu, 1979) than to individual efforts—that is, social class is often inherited (Corak, 2013)—this legitimizing ideology persists, and the other side of the coin is that low-SES people are stereotyped as incompetent and not hardworking, a basis for resenting them.

Pervasive negativity targets low-SES individuals (e.g., poor people, welfare recipients, homeless, working class, blue-collar people; see also Augoustinos & Callaghan, chapter “[The Language of Social Inequality](#)”). In the USA, poor people are described as lazy, stupid, uneducated, and unmotivated, along with traits that define their character as immoral (e.g., criminal, promiscuous, drug abusers; Cozzarelli, Wilkinson, & Tagler, 2001; see also Gorski, 2012). The negative stereotypes of low-SES and racial minorities overlap (Brown-Iannuzzi, Dotsch, Cooley, & Payne, 2017; Bullock, Wyche, & Williams, 2001). But poor White people are despised as much as poor Black people. “Derogatory terms, meant to be amusing, have been invented for these [White] others: *crackers* from Georgia and Florida, *lintheads* from the Carolinas, *okies* from the west, and *hillbillies* or *ridge runners* from West Virginia” (Lott, 2002, p. 102). Similarly, predominantly White low-SES groups, addressed as *White trash* in the USA, *chavs* in the UK, and *bogans* in Australia, are all judged as more animal-like than people from other socioeconomic backgrounds (Loughnan, Haslam, Sutton, & Spencer, 2014). Negative descriptions, especially concerning poor people’s competence, emerge even in egalitarian welfare states, such as Sweden (Lindqvist, Björklund, & Bäckström, 2017) and Norway (Bye, Herrebrøden, Hjetland, Røyset, & Westby, 2014).

SCM surveys documented the ubiquity of the incompetence belief targeting poor people across countries (Durante et al., 2013, 2017). But what seems to vary depending on the context is the attribution of warmth. In fact, in some countries (e.g., Bolivia, Italy, Uganda, South Korea), poor people are perceived as both incompetent and cold, eliciting disgust, whereas in others (e.g., Mexico, Chile, Greece, Jordan, Malaysia), they are still perceived as lacking competence but awarded some warmth, resulting in an ambivalent paternalistic stereotype. Evidently, the type of culture (i.e., Western vs. non-Western) is an unlikely account for such a different stereotype. Instead, as for rich people, the level of national income inequality plays a role: Greater ambivalence characterizes poor people’s stereotype in more unequal countries (Durante et al., 2017). Recent analyses, performed on a larger database (i.e., including 52 samples from 38 countries), suggest that the most robust result concerns the warmth dimension (Durante & Fiske, 2018). In particular, with increasing Gini (more inequality), attributions of warmth decrease more for rich than for poor people, for whom they seem to increase: Therefore, the result is more ambivalence for both groups. The rich are resented for being cold, particularly under inequality. And the poor are resented for incompetence and laziness, although they may be warmer under inequality.

As a precursor to inequality, ideology likely guides both policies that encourage equality and more benign stereotypes of lower-SES groups, as, for example, in Scandinavia and Switzerland. As an exploratory analysis of ideology, post-Soviet countries might share residuals of communist ideology or reactions against it. Expanding low SES to include cross-cultural consensus about the working class shows that this social class is perceived more positively in post-communist countries (e.g., Armenia, Russia, China) than in capitalistic ones (Grigoryan et al., under review). More work needs to extend these preliminary results, but the role of ideology may guide class stereotypes.

Thus, the compensation between warmth and competence already illustrated for economic elites concerns low-SES individuals as well, but the latter only in countries with more economic inequality. In such contexts, poor people are “rewarded” on the same dimension on which rich people are generally penalized, namely, the status-irrelevant dimension. The social perception of economic elites as possessing traits that define their status, and of those who occupy lower positions on the social ladder as having more warmth, put in place an effective strategy of stabilizing and ensuring the continuation of the hierarchy (Kay et al., 2007). In other words, the favorable aspect of the poor’s stereotype does little to change the status quo, but it can dampen class conflict.

Class stereotypes maintain the system also by social distancing low-SES people through resentment. Stereotypic beliefs and expectations about their negative characteristics and bad behaviors contribute to their segregation in institutions, such as education, housing, health care, and legal assistance (Lott, 2002), both in terms of their reduced access to and attention from these institutions. These structural barriers perpetuate inequalities, affecting individuals’ lives in many domains (e.g., academic achievement, self-evaluation, well-being; for a review see Durante & Fiske, 2017). Interpersonal distancing can also occur. Social class can be signaled in many ways (e.g., clothes, tastes, preferences), and it is “accurately perceived during the early stages of social perception” (Piff, Kraus, & Keltner, 2018, p.73), activating class-based stereotypes in judgments of low-SES others (e.g., Darley & Gross, 1983). These individuals (as just described for high-SES people) may engage in such interactions with the intent to disconfirm class-based stereotypes and minimize resentment, as illustrated next.

Lower-Status Interlocutors Do Talk Up, to Overcome Resentment and Affiliate

In the cross-status “workplace initiative” described earlier (Swencionis & Fiske, 2016), lower-status people prioritized competence as a goal and emphasized conveying competence traits, downplaying warmth to do so. However, unlike their higher-status partners, they were not motivated by trying to disprove a negative stereotype because they did not expect their partner to perceive them as more warm and less competent.

Instead, they may have been trying get along with their partner by relating to their partner’s strength, namely, competence. Affiliation might make them try to match their partner, whom they did see as more competent than warm. The competence-matching behavior fits the stereotype of their high-status partner as competent. What’s more, when assigned a counter-stereotypic, high-status incompetent partner, they did not try to match competence. This partner matching fits an attempt to affiliate by reflecting the partner’s strengths. Being attuned to a higher-status conversation partner fits cross-class interaction patterns, which show

lower-SES participants attending more to higher-status partners than vice versa (Piff et al., 2018).

Relatedly, a recent study (Aydin, Ullrich, Siem, Locke, & Shnabel, 2018; Study 2), based on a social identity approach (Tajfel, 1981), showed that participants endorsed more communal (i.e., warmth) goals toward lower (vs. higher) class targets and endorsed more agentic (i.e., competence) goals toward higher (vs. lower) class targets. The authors suggested that in a context of class inequality (especially if perceived as illegitimate), people pursue either communal or agentic goals to restore their threatened social identity. We would suggest that the higher-status people are talking down, communally, to seem warmer than their stereotype. The lower-status people are talking up, agentially, to match their partner. For the high-status person, “it’s all about me”; for the lower-status person, “it’s all about you.”

The lower-status focus on competence, downplaying warmth, perhaps seeks to respect their higher-status partner’s domain, but ironically, it does not address their partner’s concern with being liked. Conversely, their higher-status partner’s focus on warmth, downplaying competence, may seek to be liked, but ironically, it does not address their lower-status partner’s concern with gaining respect. However, if affiliative, both are trying to minimize mutual resentment otherwise resulting from complementary respective stereotypes.

Reconciliation: Restoring Mutual Respect

According to ethnographies, low-SES individuals seek dignity: respect, honor, and community pride. Their responses to disrespect and economic stagnation may include Hochschild’s (2016) “deep story” that older White working-class men have been patiently resilient and hardworking, while minorities, immigrants, and women are cutting ahead, aided by liberal elites. Some consequences of these inequality-based resentments may include nativist voting (Hout & Hochschild, 2018), less defense of the system (Day & Fiske, 2017, chapter “[Understanding the Nature and Consequences of Social Mobility Beliefs](#)”), and more populism generally.

Reconciliation will not be easy. Mutual social class stereotypes, fear of *déclassement*, and class resentment may trigger competitive victimization (Noor, Shnabel, Halabi, & Nadler, 2012), which leads large social segments to be particularly unhappy with their own position and how much they feel entitled to receive from the system, polarizing the social and economic divide. To defuse such mechanisms, both structural and interpersonal solutions are required.

Assuming that cross-class resentment is undesirable, the ameliorative task differs by status. For elites, interpersonal adjustments require being less concerned about self and more about the other: expressing respect, primarily by acknowledging work ethic, resilience, and personal responsibility as legitimate values. The structural adjustment includes advocating for blue-collar individuals as well as more typical liberal causes.

But reconciliation also requires concrete, long-term solutions, not handouts. So, removing some of the barriers that low-SES people constantly face in society would be one strategy. This may be pursued in several ways. For instance, increasing the minimum wage or providing a basic citizenship income would improve working class and poor people's living conditions, with consequent better health and well-being. Additionally, designing programs for low-income children aimed at providing a good education would reduce disparities and, in the long run, put people in a position to express their potentials and advance economically. Finally, promoting social inclusion and class diversity in working environments would reduce the perception of threat experienced by people with reference to social class and foster positive cross-class interactions that would, in turn, help to dismantle negative mutual stereotypes (Piff et al., 2018). More generally, concrete measures would result "in satisfactory living conditions and subjectively meaningful integration into society" (Flecker, 2007, p. 245), thus reducing class resentment and favoring reconciliation.

Making people aware of actual inequality is also an important path to pursue, given the fact that people's support or resistance for wealth redistribution policies comes from their misperceptions of economic inequality (sometimes being underestimated, some other times being overestimated; Gimpelson & Treisman, 2017; Niehues, 2014). A shift in the ideologies that sustain inequality is also necessary. Related to the stereotypic incompetence characterizing low-SES people and to the meritocratic ideology of enduring class stereotypes, the perception of laziness as the cause of poverty is particularly widespread: Cross-cultural data from the World Values Survey point to the poor-are-lazy belief as "a universal driver of opposition to government efforts to reduce poverty" (Petersen, Sznycer, Cosmides, & Tooby, 2012, p. 396). Thus, as suggested by Piff et al. (2018), because "fairer hierarchies with unequal distributions tend to be perceived as more acceptable and justified, and presumably less likely to elicit social class conflicts ... an important potential way forward toward reducing inequality is highlighting the current economic system as being unmerited or unfair" (p. 104). For instance, increasing people's awareness about the rarity of social mobility thus reduces their tolerance for inequality (Alesina, Stantcheva, & Teso, 2018; Day & Fiske, 2017; Shariff, Wiwad, & Akin, 2016).

All these changes would reduce social distancing and foster more occasions of cross-class contact, which still is the most prominent strategy to lessen prejudice and stereotyping (Pettigrew & Tropp, 2006). But poor and working class individuals have a role to play in cross-class encounters with elites; their interaction may benefit from understanding that elites may seek reassurance about their likability. Elites are human too. Structurally, lower-status people might appreciate that progressive high-status people's values seek to reduce inequality for all groups, majority and minority, native-born, and immigrant; the resources need not be zero-sum, but can grow to benefit everyone.

Borrowing the words of the fictional sociologist who, in 2033, reflects on the preceding 160 years of evolution of the British society in Michael Young's (1958) dystopic essay, "Do not the masses, for all their lack of capacity, sometimes behave

as though they suffered from a sense of indignity?” (p. 15–16). Indeed, low-SES people do seek pride, respect, honor, and dignity. And respecting other people is never wrong.

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Everything in Its Right Place: Tradition, Order, and the Legitimation of Long-Standing Inequality



John C. Blanchar and Scott Eidelman

Social inequality pervades every society of humankind. People and groups are stratified according to economic resources, access to educational and employment opportunities, and outcomes in healthcare, the legal system, and elected representation (Grusky & Hill, 2018). Responses to such inequality vary, however. Some reject unequal social arrangements and their corresponding socio-political institutions; many others come to see societal inequalities as legitimate and good or at least a redeeming and functional aspect of life. Why do people come to see, or act as though, social inequality is legitimate?

Although social psychological research has examined many reasons why inequality takes root, our focus is on one particular reason why it endures. Societal inequality tends to be self-perpetuating; to the extent that inequality persists across time, its value is bolstered psychologically (Blanchar & Eidelman, 2013). We contend that this process is embedded in socio-cognitive mechanisms that instinctively confer goodness and rightness to longer-standing entities. Termed longevity bias, this psychological phenomenon has important implications for how people perceive, explain, and respond to timeworn institutions and long persisting inequalities. In what follows, we present a model of longevity bias and outline how it contributes to the legitimation of social inequality.

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Psychological Processes that Support the Status Quo

Many psychological processes support objects, institutions, and arrangements that are already in place (i.e., the status quo). Liking for stimuli increases as a consequence of repeated exposure (Bornstein, 1989; Zajonc, 1968). Because the status quo is what already exists, it will be encountered more frequently and feel more familiar than non-status quo alternatives, and it should therefore be liked more. People often prefer the status quo when making decisions because of concerns associated with change, including risk and loss (Anderson, 2003; Kahneman, Knetsch, & Thaler, 1991; Moshinsky & Bar-Hillel, 2010). Decision-makers can avoid change and the risk it invites by sticking with previous decisions (e.g., Samuelson & Zeckhauser, 1988). Under particular circumstances, people may also become motivated to defend the status quo as good, fair, and legitimate (Jost & Banaji, 1994; Jost, Banaji, & Nosek, 2004). For example, when the social system is threatened or when people perceive escaping its control to be difficult or impossible, justification of the social system increases (Kay et al., 2009). Finally, status quo preference may be rational: sometimes the way things are is the best alternative, or the costs of change are too high, and thus sticking with what is good enough may be a reasonable option (Schwartz, Ben-Haim, & Dacso, 2011).

Recently Eidelman and colleagues proposed that status quo preference also derives from heuristic processing (Eidelman & Crandall, 2014; Eidelman, Crandall, & Pattershall, 2009). Building on Hume's (1739/1992) observation that people conflate matters of fact (what is) with prescription (what ought to be), Eidelman and colleagues argued that perceivers link existing states with what is good and right as an intuitive rule of thumb. From experience, people understand that existence may indicate some amount of vetting and/or successful competition that signals ability, worth, goodness, or correctness. People seem to apply this assumption as a simple decision rule; if it exists and maintains, it is good and right. Eidelman et al. (2009) used the term *existence bias* to describe this process of assuming goodness from existence (independent of other psychological factors promoting support for the status quo).

To test these ideas, Eidelman and colleagues held previous exposure constant by manipulating what represents the status quo across several studies (Eidelman et al., 2009). In one, students considered one of two sets of degree requirements at their university, of which one was said to represent current practice. Specifically, they read that the current requirement necessitated earning 32 (or 38) credit hours within one's major to graduate and that some wanted to change this requirement to 38 (or 32) credit hours with this possible change being implemented in 10 years. Students preferred the status quo, compared to when the same option was framed as the non-status quo alternative (see also McKelvie, 2013). Other studies focused on domains irrelevant to participants (to address motivations to rationalize), held change constant or eliminated choice from the research design (to address concerns about risk and loss), or focused on aesthetic judgments (to address rational inference as an alternative process and to provide positive evidence for heuristic processing; for a

review and more evidence, see Eidelman & Crandall, 2014). Consistent with a heuristic processing account, status quo preference holds across all these conditions circumventing alternative explanations.

Longevity Bias

If existence is good, longer existence may be even better. Eidelman and Crandall (2014) used the term *longevity bias* to describe the process whereby perceivers assume longer-standing entities are better and more right (Eidelman, Pattershall, & Crandall, 2010). Time opposes longevity, bringing with it erosion, competition, and scrutiny (e.g., “Withstanding the test of time”). Any entity or endeavor that persists should be judged more favorably for doing so. This thinking resembles quasi-evolutionary notions of “survival of the fittest” and also the augmentation principle in attribution theory (Kelley, 1972).

Evidence for a longevity bias comes from several studies. In one, we again used the degree requirement scenario described above (Eidelman et al., 2010, Study 1). As before, participants considered two degree requirements of which one was randomly assigned to represent the status quo. Crossed with this manipulation was one of time in existence: the status quo was said to be in place for either 10 or 100 years. Participants preferred whichever option was described as the status quo, an effect that was significantly larger in the 100-year condition than the 10-year condition.

Other studies demonstrate the longevity bias along dimensions logically uncorrelated with time in existence (Eidelman et al., 2010). In one study, participants were shown an expressionist painting described as either 5 or 100 years old. In another, participants were shown a picture of a tree that was said to be 500 or 4500 years old. In both cases, participants’ aesthetic judgments—e.g., how pleasant the object was to look at—increased when the object was said to have longer existence. Gustatory evaluations are also impacted by perceived longevity. How much participants enjoyed the taste of a soft drink (Eidelman et al., 2009, Study 5) or a piece of chocolate (Eidelman et al., 2010, Study 5) was impacted by how long these consumer goods were said to have been around: longer existence provided a more enjoyable taste experience in each case. Demonstrations of longevity bias along dimensions of beauty and taste suggest the over-generalization of an otherwise rational inference. Over-generalization is a hallmark of heuristic processing (Baron, 2014; Tversky & Kahneman, 1974; see Eidelman & Crandall, 2014 for additional evidence of heuristic processing as a cause of existence and longevity biases).

Negative stimuli are also affected by longevity bias. Crandall, Eidelman, Skitka, and Morgan (2009) asked a representative sample of American citizens to consider interrogation techniques often considered to be torture (e.g., waterboarding). When described as long-standing (having been used for four decades), participants rated these techniques as more justified—and they were supported more—than when described as relatively new. Warner and Kiddoo (2014) manipulated the longevity of Mormonism—an outgroup religion for their participants. Compared to when

described as new, when Mormonism was said to be older participants rated it as more legitimate and reported less social distance toward its practitioners. When we manipulated stimulus valence in the soft drink study noted above (Eidelman et al., 2009, Study 5), participants found the taste of a bitter beverage much less pleasing than a standard sugary beverage but still found that both benefitted from longevity framing 2. Together, these findings illustrate that perceived longevity of existence augments the goodness and legitimacy of aversive stimuli, and—as we argue in this chapter—this applies to the maintenance of social inequality.

Longevity Bias and the Maintenance of Inequality

Our focus in this chapter centers on the consequences of longevity bias for maintaining inequality. Because most institutions, practices, and norms that contribute to social inequality have been in place for long periods of time, usually extending well beyond individual lifespans, and seem stitched into the very fabric of societies and cultures, they should enjoy the assumptions and advantages that come with being established custom. It is therefore easy to understand Edmond Burke's (1789) observation that time-honored traditions regularly contain ancient wisdom.

But John Stuart Mill (1859) warned that blindly following what is established is apt to foster tyranny:

The despotism of custom is everywhere the standing hinderance to human advancement, being unceasing antagonism that disposition to aim at something better than the customary, which is called, according to circumstances, the spirit of liberty, or that of progress or improvement.... Custom is there, in all things, the final appeal; justice and right mean conformity to custom... all deviations... come to be considered impious, immoral, even monstrous and contrary to nature. Mankind speedily become unable to conceive diversity, when they have been for some time unaccustomed to see it. (pp. 118–124)

To the extent that long-standing inequality is seen as reflecting established custom, it is presumed good and natural, and challenging it is ever more discouraged. Inequality would therefore support and perpetuate itself, as any deviation from it would be impious and immoral. As we argue, unequal social systems, by mere virtue of their existence and further persistence across time, tend to be conferred legitimacy via imputing intrinsic value and goodness.

Empirical support Support for these ideas comes from Blanchar and Eidelman (2013). In an initial experiment, we asked participants living in Western countries to read some information about the philosophical origins of economic capitalism, namely, Adam Smith's (1776/1993) *An Inquiry into the Nature and Causes of the Wealth of Nations*. We also included information about the rising problem of economic inequality. A subjective timeline without dates accompanied this information and was experimentally manipulated to indicate that the basis for capitalism was either relatively recent or old. In the new condition, several events preceded the publication of *The Wealth of Nations*, and this publication was positioned adjacent

to present day. In the old condition, the publication of this book was on the far left of the timeline, and several events followed, placing it furthest way from present day. Participants were then asked to endorse several statements measuring their perceived legitimacy of the underlying philosophy of the capitalist system (e.g., “The ideas found in *The Wealth of Nations* are legitimate,” “As argued in *The Wealth of Nations*, it is true that free market systems are the most efficient and beneficial to a society”) and economic system justification (e.g., “In general, the American economic system operates as it should,” “The American economic system is setup so that people usually get what they deserve” adapted from Kay & Jost, 2003). This subjective timeline influenced participants’ perceptions of the longevity of the origins of capitalism and consequently bolstered its apparent legitimacy and justification of economic inequality (see Fig. 1). Participants who were led to think capitalism was relatively older also thought this economic system was more legitimate, and they were more likely to endorse statements that justified its unequal consequences.

In a second experiment, we varied the perceived longevity of the Indian caste system—an inherently unequal social system categorizing people into hierarchical castes with varying opportunity, wealth, and power—and compared Indians’ and Americans’ perceptions of its legitimacy and fairness. Perceived system longevity is likely to increase a sense of dependence whereby Indians (but not Americans) feel their outcomes are influenced by the Caste System, and system dependence promotes rationalization of the status quo to psychologically protect the self against the belief that an illegitimate and unjust system has control over one’s outcomes (Kay, Gaucher, et al., 2009; Van der Toorn, Tyler, & Jost, 2011). Therefore, we sought to parse the

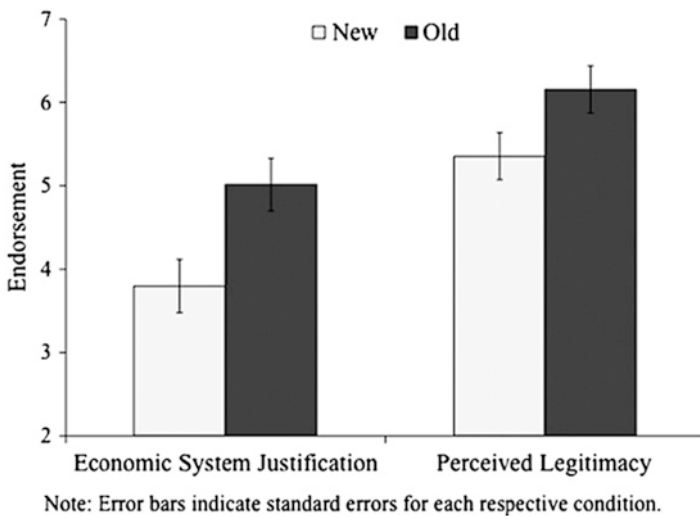


Fig. 1 Economic system justification and perceived legitimacy of capitalism as a function of longevity. (Source: Blanchard & Eidelman, 2013)

influences of system longevity and dependence on legitimacy and justification. Nationality served a proxy for system dependence; relative to Americans, Indians ought to have a greater sense of dependence on the fundamentally unequal Indian caste system.

We recruited participants via Amazon's Mechanical Turk and presented them with information about the Indian caste system, noting that Indians were customarily categorized by their occupations into hierarchical castes that ultimately became hereditary-based. Social status was fixed at birth with limited opportunities for those from lower castes, pervasive discrimination, and an unequal distribution of wealth and power. As a direct manipulation of system longevity, participants were informed that experts and DNA evidence trace this system back hundreds or thousands of years. Specifically, they read the following passage:

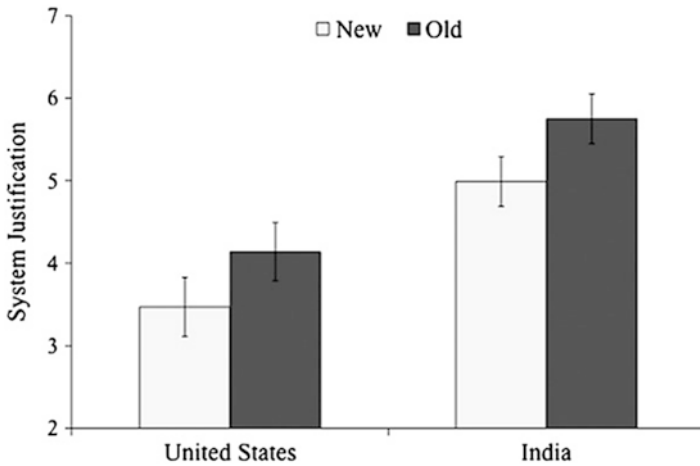
Although the precise origins of the caste system in India are uncertain, most experts (and recent DNA evidence) agree that it originated [*only a few hundred years ago / thousands of years ago*].

Under this relatively [*new / old*] system, people were categorized by their occupations into hierarchical castes. The four primary castes are as follows: Brahmin, commonly identified with priests and the learned class; Kshatriya, the rulers and warriors; Vaishya, the farmers, traders, and artisans; and Shudra, the tenant farmers and laborers. Those born outside the caste system were called the untouchables, because their jobs caused them to be considered impure. Originally, castes depended upon a person's work, but soon became hereditary with social status determined by birth and fixed for life. The caste system in India continues to shape people's lives today.

Some maintain that the caste system was designed to solve real problems in Indian society. They believe the idea is sound but has not been implemented well, citing evidence that no society in the world can exist without an intellectual class, an administrative class, a merchant class, and a labor class. Others criticize the Indian caste system because it leads to limited opportunities for those from lower castes, discrimination against the untouchables, and an unequal distribution of wealth and power.

Participants were then asked to indicate their agreement with several statements measuring their perceived legitimacy (e.g., "The Indian Caste System is legitimate," "The Indian Caste System is credible") and justification of the Indian caste system (e.g., "There are many reasons to think that the caste system is fair," "Most people who don't get ahead in Indian society should not blame the system; they have only themselves to blame," "Social class differences in India reflect the natural order of things"; adapted from Jost & Thompson, 2000) as well as their sense of dependence upon this system (e.g., "I have felt dependent upon the Indian Caste System," "I am affected by the Indian Caste System").

When the Indian caste system was described as longer-standing, Indians and Americans alike judged it to be more legitimate and justifiable (see Fig. 2). Indians, as expected, felt more dependent upon this unequal caste system and attributed more legitimacy to it than Americans, but the effect of system dependence on perceived legitimacy occurred independent of the influence of system longevity. The legitimacy conferred to the Indian caste system via longer time in existence and feelings of dependence bolstered assumptions of its fairness.



Note: Error bars indicate standard errors for each respective condition.

Fig. 2 Justification of the Indian caste system as a function of longevity and nationality. (Source: Blanchar & Eidelman, 2013)

Explanations for longstanding inequality We have thus far discussed how people assume long-standing entities are better and more legitimate, including social inequality. Because responses to inequality vary according to how people understand its causes (Jost & Major, 2001; Kluegel & Smith, 1986; Lind & Tyler, 1988), an important next step is to examine how people explain long-standing inequality.

Eidelman and Crandall (2014) suggested that perceivers explain inequality that persists across time in ways that justify and legitimize it (Augoustinos & Callahan, chapter “The Language of Inequality”). If social inequality arises and endures against the antagonistic forces of time, people should presume that it has intrinsic value and features that affirm its continued position as the status quo. Consistent with this thinking, Eidelman and Crandall (2014) presented evidence that people assumed erroneous and pseudoscientific beliefs (e.g., EMDR therapy, “Area 51” conspiracy theories) to have overcome more vetting and testing, and therefore were perceived as more legitimate, the longer they were said to have persisted across time. Others, too, have suggested that people try to make sense of the outcomes they see. As Lerner (1980) noted, “the perception of certain important outcomes or consequences leads the observer to infer the antecedent conditions which, (s)he has learned, typically bring about the fate” (p. 13).

Generally, people default to inference-based explanations for social outcomes. Social inference is largely outcome-biased in that perceivers naturally look to internal or inherent qualities to explain others’ behaviors, decisions, and outcomes (Allison, Mackie, & Messick, 1996; Gilbert & Malone, 1995; Ross, 1977; Uleman, Newman, & Moskowitz, 1996). In fact, memory accessibility favors innate qualities, such as a person being hardworking or incompetent, that are imputed to explain social events, such as success or failure (Hussak & Cimpian, 2018a; 2018b). Thus,

explanations for existing social inequality invoke reasons and rationalizations that vindicate the status quo (Cimpian & Salomon, 2014; Jost et al., 2004; Lerner, 1980). For example, people tend to judge wealth inequality as tolerable because they attribute it to those on the top working hard and those on the bottom lacking competence (e.g., Fiske & Durante, chapter “[Mutual Status Stereotypes Maintain Inequality](#)”; Kluegel & Smith, 1986), racial disparities in prison sentences as defensible because blacks are seen as inherently more aggressive (e.g., Blair, Judd, & Chapleau, 2004), and fewer women in STEM fields as fair because women are judged as having less innate talent (e.g., Leslie, Cimpian, Meyer, & Freeland, 2015). This process is basic, is relatively automatic, and emerges early in life. Hussak and Cimpian (2015) observed that children and adults explain unequal group relationships by heuristically crediting intrinsic factors that legitimize observed disparities in wealth, education, power, and status.

We recently devised a measure of heuristic assumptions underlying longevity bias whereby people conflate time in existence with goodness and value to examine its relationship with explanations for and perceptions of economic inequality in the United States (Blanchar & Eidelman, 2019). We administered a battery of questionnaires, including this longevity bias scale, to 256 adults living in the United States via Amazon’s Mechanical Turk (see Clifford, Jewell, & Waggoner, 2015). Of particular interest, we assessed participants’ endorsements of intrinsic explanations for the existence and endurance of economic inequality via eight items from Kluegel and Smith (1986) (e.g., “People are wealthy because of hard work and initiative,” “People are poor because of their background gives them attitudes that keep them from improving their condition”). We observed that the more people endorsed quasi-evolutionary notions of “survival of the fittest” with time as a force for vetting truth, accuracy, and value (e.g., “The longer an institution has persisted across time, the more we can be sure it is useful”), the stronger they relied on intrinsic explanations for persistent wealth inequality (e.g., personal drive and a willingness to take risks among the wealthy, lack thrift and money-management skills among the poor) and the more they perceived the socio-political system as legitimate and fair. These data support our contention that time is often presumed to prune faulty and unfair entities, longer existence conveys information about goodness and value, and endorsement of this heuristic corresponds with inferring intrinsic qualities and legitimizing explanations for prevailing inequality.

Longevity signals stability and order Another reason that perceptions of inequality as long-standing promote its legitimation is that enduring social systems ought to be judged as more stable and orderly. Social stability and orderliness are psychologically appealing and correspond with system justification motivation and political conservatism (Jost, Glaser, Kruglanski, & Sulloway, 2003; Kay, Whitson, Gaucher, & Galinsky, 2009). The longer unequal social structures have persisted, the more they should signal non-randomness and a sense of entrenchment where change is unlikely. For example, Laurin, Gaucher, and Kay (2013) found experimental evidence that people confer greater legitimacy to social inequality when they perceive it to be a more stable and enduring aspect of society. In one study, men and

women were both *less* likely to support hierarchy-attenuating social policies when inequality in the number of women represented among top business executives was presented as relatively stable versus unstable across time. In a second study, the concept of system stability was made cognitively available or not via a sentence unscrambling procedure immediately prior to participants providing open-ended responses to information about gender inequality in ability to pay off student debt. Increasing the accessibility of system stability increased participants' affirmation of this inequality as fair and legitimate. Consistent with our thesis regarding long-standing inequality, social inequality that is perceived to be stable is judged more favorably.

As another example, our aforementioned study measuring individual differences in susceptibility to longevity bias (Blanchar & Eidelman, 2019) found evidence that longevity bias is strongly associated with moral traditionalism and support for traditional gender roles in defense of inequality. Moral traditionalism embodies a belief that the traditional social order is morally right and represents the way things ought to be (e.g., "The newer lifestyles are contributing to the breakdown of our society"; see Conover & Feldman, 1986). Traditional gender roles similarly reflect this idea of enduring orderliness with men and women in their proper places, as has always been (e.g., "The husband should be regarded as the legal representative of the family group in all matters of law," "Women should be concerned with their duties of childbearing and house tending, rather than with the desires for professional and business careers"; see Brown & Gladstone, 2012). These data indicate that endorsement of longevity bias—heuristic assumptions of persistence across time as signifying good and valuable intrinsic qualities—is strongly predictive of both moral traditionalism and the acceptance of traditional gender roles in society (Blanchar & Eidelman, 2019). That is, the more one endorses notions of time as an antagonistic force that eliminates bad ideas, products, and institutions, the more right and proper unequal relationships between groups are deemed. Consequently, people favor maintaining traditional, albeit unequal, social conditions.

Longevity and diminished moral outrage Longevity bias also helps perpetuate social inequality through preventing and diminishing moral outrage. This is significant because pushes for social change are driven by perceived injustice and feelings of moral outrage (Jost, Becker, Osborne, & Badaan, 2017; Van Zomeren, 2013). As noted, intrinsic explanations for extant and persisting inequality imbue such social arrangements with legitimacy and consequently yield less negative emotion, like anger, that would provoke action. For instance, Wakslak and colleagues (Wakslak, Jost, Tyler, & Chen, 2007) have repeatedly found support for diminished moral outrage as a mechanism through which justification for inequality translates into weaker support for social change and equality-enhancing policies.

When it comes to inequality that enjoys a traditional and long-standing place within society, it should be harder to arouse anger and thus incite action for change. This is apt for several reasons. For one, counterfactuals that are less available for mental simulation elicit less effect (Kahneman & Tversky, 1982; Medvec, Madey,

& Gilovich, 1995). If social inequality is all one has ever known, then the ease of imagining alternatives should be more difficult and therefore less motivationally driving. Second, the construal of events, if even specifically known, perceived to have occurred long ago generates greater psychological distance (Maglio, Trope, & Liberman, 2015). This sense of distance from the present, too, diminishes any potential anger based on pre-existing inequality (e.g., Van Boven & Ashworth, 2007; Wohl & McGrath, 2007).

Our study assessing individual differences in susceptibility to longevity bias (Blanchar & Eidelman, 2019) offers evidence supporting the proposition that endorsement of longevity bias translates into diminished moral outrage and consequently less support for social change with regard to wealth inequality in the United States. Using structural equation modeling, we found that endorsement of the heuristic assumptions underlying longevity bias directly predicted intrinsic explanations for wealth inequality, moral traditionalism, and justification of the socio-political system. These factors predicted diminished feelings of moral outrage in response to wealth inequality, which in turn attenuated support for government assistance to redress economic inequality. In all, these data corroborate our argument that longevity bias and its consequences for explaining and appraising persistent inequality contribute to diminished moral outrage and thus deter motivation for social change and hierarchy-attenuating policies.

Overcoming and Harnessing Longevity Bias to Promote Change

Evaluations augmenting the legitimacy and favorability of existing and longer-standing states are not inevitable, however. Eidelman and Crandall (2014) suggested these biases are primarily due to intuitive thinking; people have an immediate, favorable reaction to entities that represent the status quo. While this process is considered to be relatively automatic, these initial responses can be overcome with motivation, reflection, and mental effort. That is, these responses are not fixed or inescapable; they may be stifled and overridden when people engage in careful and deliberative information processing (e.g., Evans & Stanovich, 2013; Frederick, 2005; Gilbert, Pelham, & Krull, 1988; Thompson, Turner, & Pennycook, 2011). Indeed, assuming goodness from existence is reduced to the extent that people have a proclivity toward cognitive deliberation, as measured by scores on the Cognitive Reflection Test (Eidelman & Crandall, 2014), and motivations to seek novelty and change can eliminate longevity bias (Shockley, Rosen, & Rios, 2016).

The engagement of effortful deliberation to overcome longevity bias should be particularly likely when alternative, extrinsic-based accounts for the status quo's long existence—thus, discrediting default inferences to intrinsic qualities—are accessible and salient (Eidelman & Crandall, 2014; see also Taylor & Fiske, 1975)

and when motivational forces, such as conflicts with self-interest or egalitarian goals, to oppose the status quo are high (e.g., Pennycook, Fugelsang, & Koehler, 2015; Sherman et al., 2008). In one study, for instance, we found that people's perceived legitimacy of astrology, and the accuracy of a bogus personality profile supposedly generated using its methods (see Forer, 1949), was augmented by framing it as having greater longevity of existence; however, this bias was attenuated when participants were presented with information explicitly noting additional possible explanations for astrology's survival, such as profit-seeking interests (Blanchar & Eidelman, 2012; see also Eidelman & Crandall, 2014). Similarly, when Hussak and Cimpian (2015) rendered possible extrinsic explanations salient, participants weakened their support for unequal social relationships among novel social groups. The presumed legitimacy of existing and long-standing inequality comes naturally in the absence of effort or reflection, but providing alternative, extrinsic-based accounts for why it continues offers perceivers greater opportunity for overcoming such bias. Those wishing to counteract the influence of bias from existence and longevity should consider these psychological factors.

As another approach, the power of longevity bias might be harnessed for the purposes of change. Time in existence is a proxy for success in the marketplace of reputation and thus can work for status quo maintenance or change. Movements, policies, and institutions that have a long tradition of redressing social inequality, too, should be credited with greater legitimacy, importance, attention, and value. In his speeches during the civil rights movement, the Reverend Martin Luther King Jr. (1968) famously drew upon the historical promises of equality originating from the United States' founding principles:

Somewhere I read of the freedom of assembly. Somewhere I read of the freedom of speech. Somewhere I read of the freedom of press. Somewhere I read that the greatness of America is the right to protest for rights. And so just as I said, we aren't going to let dogs or water hoses turn us around. We aren't going to let any injunction turn us around. We are going on.

Whether deliberate or not, the effectiveness of King's approach of connecting African Americans' fight for civil rights to the US Constitution—America's first and foundational governing document—conceivably benefited, at least partially, from the influence of longevity frames. Consistent with this idea, Warner and Kiddoo (2014) found that framing the Mormon religion as having a longer history bolstered its legitimacy as well as reduced prejudicial feelings toward this group. Sani et al. (2007) further observed that groups perceived to be enduring and persistent across time and history are perceived more favorably, as more entitative and more relevant to the self (see also Warner, Kent, & Kiddoo, 2016). This program of research suggests that groups promoting change may find greater traction when emphasizing their own history or association with long-standing entities, principles, and ideas. Today even, strategically drawing comparisons to the American civil rights movement of the 1960s surely garners credibility for newer social movements, partially because the civil rights movement has been enshrined as a paragon within the American tradition for how to proliferate progressive change.

Conclusion

As institutions, practices, and norms maintain against the presumed antagonist forces of time, they are verified as possessing intrinsic value and thus worthy of support. Our data demonstrate that this longevity bias has important consequences for how people think about, feel toward, and respond to social inequality. When people come to see inequality as a long-standing feature of society, it is conferred legitimacy and eventually enshrined as traditional custom. They defend and justify it, feel less angst and outrage by it, and experience diminished motivation to enact meaningful social change. As Heider (1958) remarked, “Tradition represents the existing reality made solid by a long history in which it becomes identified with the just, the ethical, the ‘should be’... The ‘is’ takes on the character of the ought” (p. 235).

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Understanding the Nature and Consequences of Social Mobility Beliefs



Martin V. Day and Susan T. Fiske

Social mobility beliefs offer a unique window into how people make sense of a non-trivial outcome – where people end up in life. But what do we know about the nature and consequences of social mobility beliefs, that is, the perceived likelihood of moving up or down in society? Many disciplines – including economics, political science, psychology, and sociology – study these beliefs, in part because theory links them to societies’ maintenance of economic inequality (e.g., Benabou & Ok, 2001; Kluegel & Smith, 1986). Given the large, consequential gap between the rich and poor in nations around the world (Alvaredo, Chancel, Piketty, Saez, & Zucman, 2018; Pickett & Wilkinson, 2015), social mobility beliefs call for scientific attention. As explained in our review, emerging research finds conditional support for the link between these beliefs and support for inequality.

Overall, this chapter aims to shed light on the characteristics of social mobility beliefs and how they may critically affect thoughts, feelings, and behavior. In particular, we review relevant work from psychology and related fields, providing novel conceptual perspectives on the societal and personal significance of social mobility beliefs. Further, we explore how these beliefs can affect tolerance for inequality and support for the status quo, as well as personal status-related goals and well-being. First, we elaborate on our view of social mobility beliefs, before considering their nature and accuracy, as well as their societal and personal impacts.

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Social Mobility Beliefs

In general, social mobility concerns status changes in a population over time. Different fields have taken different approaches to the study of social mobility (Breen & Jonsson, 2005; Hout, 2015; Westoff, Bressler, & Sagi, 1960), so we begin by explaining how we approach this construct. First, because subjective reality (vs. objective reality) can provide greater insight into people's behavior (Asch, 1952; Lewin, 1935; Ross & Nisbett, 1991), we focus on people's *beliefs* about social mobility. Drawing on lay understandings of social mobility, we specifically focus on beliefs about intergenerational social mobility: that is, the perceived chances of social class change from one generation to the next. For instance, some may believe that people born into lower-class families have a good chance of becoming upper class in their lifetimes, whereas others may believe that people are generally stuck with their standing in life. As a consequence of this focus, we do not spend much time considering beliefs about *absolute* wealth or income changes between generations, equal opportunity more generally, or group permeability focused on ethnicity or gender (e.g., Major et al., 2002; Williams & Eberhardt, 2008).

As we discuss next, social mobility beliefs vary in whether they concern upward or downward mobility, are self- or other-focused, and reflect expectations or experiences. The precise form of social mobility beliefs occasionally matters to its societal and personal consequences.

Up or Down? By definition, any given society has limits to intergenerational social mobility – not everyone can become upper or lower class. Social mobility therefore involves some people moving up in social standing and others moving down. However, people's beliefs tend to focus on upward mobility. This upward-trajectory theme is common in US culture, as evident in presidential state-of-the-union speeches, media focused on economic success (e.g., magazines, blogs, podcasts, etc.), and “rags-to-riches” literature. This upward focus also aligns with the fact that people tend to have positive beliefs about their future selves (Markus & Nurius, 1986), make positive relative judgments in other performance domains (Davidai & Gilovich, 2015a), and tend to plan and work toward their generally upward future goals (Snyder, 2002).

Evidence for the bias toward upward mobility comes from studying open-ended definitions of social mobility (Mandisodza, Jost, & Unzueta, 2006): people described it as only involving either upward mobility (40%), a mixture of upward and downward mobility (30%), or being about social class (18%). Apparently no one described it as only involving downward mobility. People, therefore, seem not to intuitively realize that upward movement needs to be balanced by downward movement. For instance, when separately asked about ideal levels of social mobility for those at the bottom or top of society, people wanted those in the bottom 20% to have almost equal chances of moving up to any of the levels above them while wanting those in the top 20% to largely stay in the top 20–40% (Davidai & Gilovich, 2015b). Note, too, that this evidence is mostly based on US samples. As we will discuss later, the upward mobility bias may vary by country and type of social mobility belief.

Self or Society? Social mobility beliefs also vary according to their self or other-focus. Much of the research has examined beliefs about *personal* social mobility (e.g., one's own chances of social class change) or *societal* social mobility (e.g., the chances that people in general can move up or down). Although few studies have compared and contrasted personal and societal social mobility beliefs, there is some evidence that they are positively related (Alesina, Stantcheva, & Teso, 2018; Day & Fiske, 2017). In particular, individuals appear to infer their personal chances of social mobility, at least in part, from mobility patterns in society more broadly (Day & Fiske, 2017). However, personal and societal beliefs should be at least partly distinct: each belief type is likely to be differently informed by personal and societal experiences, subjective norms, social learning, ideologies, mindsets, and individual differences. For example, while knowledge of close others' mobility or a sense of low self-efficacy may lead a person to generally believe they are unlikely to change social class over their lifetime, other factors (e.g., media, cultural values) may simultaneously support a belief that they live in a nation where people in general have moderate chances of social class change.

Expected or Experienced? Social mobility beliefs can also vary in terms of whether they are directed toward the future or formulated on the basis of the past. That is, people may focus on *expected* social mobility, which has yet to occur; *experienced* social mobility, which has already occurred; or both (i.e., beliefs about social class change from some point in the past to some point in the future). Although experienced social mobility reasonably would inform expected social mobility beliefs, scant systematic work can speak to this possibility. While lay beliefs, theory, and research mostly focus on expected social mobility, some work demonstrates the value of examining people's beliefs of their personal and collective past (e.g., McAdams & McLean, 2013; Peetz & Wohl, 2018; Ross & Wilson, 2002; Sedikides, Wildschut, Arndt, & Routledge, 2008; Wilson & Ross, 2000). As we will discuss in detail later, beliefs about past social mobility may also play an important role in a person's sense of self and well-being.

In addition to these characteristics of social mobility beliefs, we examine whether these beliefs reflect actual conditions and experiences. That is, we first consider the accuracy of social mobility beliefs before critically examining their downstream consequences.

Accuracy of Social Mobility Beliefs

Perceptions of social mobility vary in their accuracy. In order to measure accuracy, researchers typically ask people to provide specific estimates of social mobility (e.g., the chances of upward mobility of the bottom 20%) and then compare these estimates to objective data (Chetty, Hendren, Kline, Saez, & Turner, 2014; Sawhill

& Morton, 2007). Also, the accuracy of social mobility beliefs differs as a function of whether people are evaluating societal or personal mobility.

In the case of beliefs about social mobility in society as a whole, Americans tend to estimate that social mobility is higher than data on national social mobility rates and international rankings suggest (Alesina et al., 2018; Davidai & Gilovich, 2015b, 2018; Kraus, 2015; Kraus & Tan, 2015; but see Chambers, Swan, & Heesacker, 2015). Indeed, Americans' social mobility estimates may be negatively associated with objective measures. For example, lower rates of actual state-level social mobility correlated with estimates of higher societal social mobility (Alesina et al., 2018). One possible explanation for this finding is that in places with less progressive policies, social mobility estimates may be informed by factors such as people's desire for mobility, rather than an awareness of actual social class changes. Findings are more mixed outside of the US context. While a similar overestimation of social mobility emerged in a representative sample in Andalusia, Spain (Jaime-Castillo & Marques-Perales, 2014), participants in France, Italy, Sweden, and the UK were more likely to underestimate societal social mobility (Alesina et al., 2018). However, while the direction of inaccuracy appears to diverge, what is shared is that societal social mobility tends to be misperceived.

In contrast to beliefs at the level of societies, people might be more accurate about mobility that relates to their own circumstances. The existing work provides evidence of a consistent pattern of perceptions when it comes to beliefs about experienced social mobility. For example, in 28 of 30 countries sampled by Kelley and Kelley (2009), including France, Sweden, the UK, and the USA, most people believed that they had experienced upward social class change and that their class was higher than their father's. Speaking to the partial inaccuracy of these beliefs, people in these countries on average claimed that more upward mobility had occurred than was possible from an intergenerational mobility perspective. Only two samples showed different patterns: Chileans estimated no overall change, and Japanese respondents (one of two East Asian countries sampled) claimed they experienced downward personal social mobility. At the same time, however, personal social mobility belief in these samples was somewhat grounded in material reality, as they were positively associated with objective measures of personal social mobility.

These findings have been replicated in other research. For instance, French men tended to believe that they attained a higher social class than their fathers had (Duru-Bellat & Kieffer, 2008). Similarly, in a more recent survey of 40 countries, including Italy, France, Sweden, the UK, and the USA (Meraviglia, 2017), most respondents believed they experienced upward social mobility relative to their fathers (Japan was again an exception). This study also found that actual social mobility and beliefs about experienced social mobility related positively. The strength of this relationship varied among countries (by as much as half a standard deviation).

Reflecting the mixed findings, some still debate the relation between objective social mobility rates and social mobility beliefs (see Davidai & Gilovich, 2018; Swan, Chambers, Heesacker, & Nero, 2017). However, social mobility beliefs are

sometimes consistent with objective rates. As just discussed, this depends on whether the content is societal or personal social mobility beliefs and on the country of respondents. Given the degree of misperceptions, future research could examine cultural and individual factors that may influence these beliefs.

Having established some key characteristics of social mobility beliefs, the following sections focus on their potential downstream consequences.

Social Mobility Beliefs Impact Society

Social mobility beliefs may play a role in people's tolerance for economic inequality (Benabou & Ok, 2001; Kluegel & Smith, 1986; Piketty, 1995). Along these lines, people arguably need to believe in sufficient societal opportunity for them, if they are to support their economic system. More specifically, believing in good chances of social mobility may help justify perceived economic inequalities, such as a large gap between the rich and poor.

For example, expecting high social mobility should lead to greater rationalization that economic disparities are deserved (e.g., through motivation, capability) and thus lead to more support for the status quo and general acceptance of inequality. However, we add a critical moderator to this relationship. In particular, we suggest, the potential impact of social mobility beliefs on support for economic disparities may be most evident at the abstract level of reasoning. In contrast, we suggest, societal and personal mobility beliefs – which are, after all, fairly general and abstract – will not have reliable and direct effects on concrete, inequality-specific policies. In other words, as one moves along the continuum from abstract attitudes about inequality on the one end (e.g., a belief that inequality is a problem) to specific inequality-affecting behavior on the other end (e.g., voting for a 10% income tax increase for the top 20%), any direct impact of social mobility beliefs should diminish.

Social Mobility Beliefs Should Affect the Abstract More than the Concrete

Social mobility beliefs should have a stronger effect on people's abstract attitudes than their concrete behaviors, for several reasons. Much like societal and personal social mobility beliefs, economic inequality is an abstract idea. Although inequality negatively affects most of society to some degree (Wilkinson & Pickett, 2011), identifying specific victims is not easy. Whereas the notion of economic inequality is psychologically distant, broad, and abstract, redistribution-related policies tend to be more psychologically close, detailed, and tangible (e.g., 70% income tax rate for the top 10% or \$5/hr. increase in minimum wage). More generally, whether people's

representations are high-level and abstract versus low-level and concrete matters for judgments and behaviors (Trope & Liberman, 2003, 2010).

Attitude specificity may help explain the discrepancy between abstract and concrete inequality attitudes. For example, people may genuinely wish to reduce economic inequality in general, but have different beliefs about how this should be done or by whom (e.g., government, employers, unions, shareholders). If social mobility beliefs affect general but not specific inequality attitudes, then abstract societal or personal social mobility beliefs may not have direct effects on concrete inequality-reducing behaviors (these may be better predicted by more specific attitudes and intentions, as well as situational and individual difference factors, e.g., Ajzen, 2001; Ajzen & Fishbein, 1977; Brown-Iannuzzi, Lundberg, & McKee, 2017; Fishbein & Ajzen, 1974; Zanna, Olson, & Fazio, 1980).

Moreover, additional psychological barriers block supporting concrete inequality policies. For example, commonly discussed inequality policies (e.g., higher income taxes) may activate political affiliations, which guide specific policy support (Cohen, 2003). Policies that target specific groups may also bring to mind misperceptions and stereotypic beliefs about the rich, the poor, and subgroups, such as those on welfare (Augoustinos & Callaghan, 2019; Brown-Iannuzzi, Dotsch, Cooley, & Payne, 2017; Darley & Gross, 1983; Fiske & Durante, 2019; Gilens, 1996; Henry, Reyna, & Weiner, 2004; Smith & Stone, 1989).

At the same time, some inequality-related policies (e.g., that shift money from the top to bottom, restrict excessive pay, boost low pay) may conflict with individualistic explanations for different positions in society, including formidable meritocratic beliefs that people are personally responsible for their outcomes, get what they deserve, and have their hard work rewarded with success (Bullock, 2008; Lane, 2001). As reviewed later, believing that social mobility is low can reduce motivations to defend the general status quo, decrease abstract support for inequality, and reduce some individualistic beliefs, such as meritocratic values (e.g., Day & Fiske, 2017; Shariff, Wiwad, & Akinin, 2016). However, people will not necessarily abandon their motivation to rationalize the system, which may persist in other ways, relying on stereotypes (Fiske & Durante, 2019; Kay et al., 2007) or inequality-maintaining ideologies, for instance, that some groups should dominate over other groups in the hierarchy (Day & Fiske, 2017; Sidanius & Pratto, 1999).

Also, some psychological barriers may be specific to inequality-reducing policies. For instance, social mobility beliefs might not reduce *last place aversion* – the tendency for workers above the minimum wage to oppose minimum-wage increases (Kuziemko, Buell, Reich, & Norton, 2014). Social mobility beliefs may also not rectify broad barriers to changing economic inequality, such as the tendency to misperceive inequality (and its economic, social, or health consequences) or to misunderstand policies that may change inequality (Bartels, 2005; Dawtry, Sutton, & Sibley, 2019; Hauser & Norton, 2017; Kim, Pedersen, & Mutz, 2016; McCall & Kenworthy, 2009).

In sum, based on theory and research on a variety of topics, we have conceptually outlined why general beliefs about mobility in society should predict the abstract (e.g., people's general attitudes about inequality) more than the concrete (their sup-

port for specific inequality-related interventions and behaviors). Next, we present emerging research that specifically examines whether social mobility beliefs explain attitudes about inequality per se: support for the status quo and tolerance for inequality in general, as well as support for inequality-related policies in particular.

Abstract Support

Social mobility beliefs appear to relate to broad support for the status quo. In American and Australian samples, beliefs of higher social mobility in one's country related to defending its economic system (Mandisodza et al., 2006). Across three experiments, Americans induced to believe that societal social mobility is moderate, as compared to low, more steadfastly defended the overall societal system as fair, just, and legitimate (Day & Fiske, 2017). This change in system defense was partly explained by changes in meritocratic and just-world beliefs, but consistent with a system-level motivational perspective, not through *personal* social mobility beliefs. Thus, societal social mobility beliefs can impact system rationalization tendencies that contribute to the general maintenance of societal inequality (Jost, 2017; Jost, Banaji, & Nosek, 2004; Jost & Hunyady, 2005).

Additionally, social mobility beliefs excuse general inequality. In an experimental sample of over 500 Americans, those led to believe that societal social mobility was high accepted current economic inequality more than those induced to believe social mobility was low (Shariff et al., 2016). Social mobility beliefs also guided support for nonspecific inequality policies, such as those without much concrete detail about funding sources or amounts or explanations of how changes would occur. For example, in a Spanish sample, higher social mobility beliefs were associated with less support for governmental welfare (e.g., "the state should take more responsibility to ensure that everyone is provided for"; Jaime-Castillo & Marques-Perales, 2014).

Some work explores these patterns for personal social mobility beliefs. Multi-country samples examining beliefs about *experienced personal* social mobility find patterns similar to beliefs about societal mobility. For example, across 21 countries, beliefs of personal downward social mobility were related to more general support for redistribution (e.g., "It is the responsibility of the government to reduce the differences in income between people with high incomes and those with low incomes"; Schmidt, 2010). Using the same measures and more recent data, personal upward social mobility beliefs related to less support for the general idea of government redistribution across most of the 28 countries surveyed (Steele, 2015). Together, a reasonably consistent pattern links social mobility beliefs and tolerance of inequality in the abstract.

Concrete Policies

In contrast to abstract-level attitudes, mobility beliefs do not link to concrete policies and plans to change economic inequality. Evidence for this is provided by recent datasets from five countries – France, Italy, Sweden, the UK, and the USA (Alesina et al., 2018). This research found that social mobility beliefs were unrelated to support for concrete estate tax policies (i.e., to address wealth inequality) in all five countries. Moreover, support for estate taxes was unchanged following an experimental induction of low societal social mobility (Alesina et al., 2018). This work also examined specific income inequality policies (e.g., increasing income tax on the top 1–10%) and found that while lower social mobility beliefs correlated with support for specific income tax policies, this pattern was limited to moderate-to-strong liberal respondents and was not found in some countries (e.g., Sweden, the USA). Additionally, the social mobility manipulation employed across countries did not significantly change support for specific income tax policies targeted at the top or bottom.

As demonstrated thus far, social mobility beliefs affect support for the status quo and abstract inequality attitudes more than concrete inequality attitudes and actions. However, we are not suggesting that social mobility beliefs do not have a meaningful role in societal change or support for specific policies. For instance, social mobility beliefs may be well-positioned to affect support for specific inequality policies *in conjunction* with other situational and individual factors, especially those relevant to inequality policies or programs. Of course, changing specific attitudes is hard when people hold motivated beliefs such as the case for some political issues (e.g., Kunda, 1990; Redlawsk, 2002; Taber & Lodge, 2006).

As evident in the theory and research discussed thus far, social mobility beliefs are inherently linked to some degree of societal consideration. However, they not only affect how people respond to societal-level phenomena (such as economic inequality). Next we describe research that broadens the significance of holding these beliefs to individuals' own lives.

Social Mobility Beliefs Impact the Personal

In this section we review research and conceptualize how social mobility beliefs may impact individuals, including their education and status-related goals, and well-being. To provide some basis for whether social mobility beliefs affect these outcomes, we first consider how social mobility beliefs may have some conceptual overlap with relevant theory and work in this area. For instance, social mobility beliefs appear to relate to people's notions of possible selves (Markus & Nurius, 1986). For example, in a sample of young US adults, although only 1% were business owners, 80% believed they could be owners in the future (Markus & Nurius, 1986). To the extent that social mobility beliefs shape people's selves, they may

motivate and guide goal-directed behaviors, including in education domains (e.g., Oyserman, Bybee, & Terry, 2006; Oyserman, Terry, & Bybee, 2002).

Beliefs about upward social mobility also fit people's general orientations toward their future goals (Snyder, 2002) and their expectancies that actions will lead to desired outcomes (Vroom, 1995). As performance that will likely pay off as expected can be motivating, such as at work or school (Van Eerder & Thierry, 1996), beliefs of high or low likelihood of social class change may thus promote or restrict future-oriented motivations. In sum, social mobility beliefs potentially play a role in guiding and interpreting goal-directed acts. That is, different than the pattern observed at the societal level, it appears that social mobility beliefs – although abstract – may be able to impact individuals' own downstream behaviors, without many of the same kind of barriers applying (e.g., consensus on actions, political beliefs, etc.). In the following sections, we examine whether this possibility may especially involve domains relevant to prospects of social class change, including the pursuit of education and status, and the resulting experience of well-being.

Education and Status-Related Goals

Social mobility beliefs may be particularly consequential for some education and status-related outcomes. Gaining education is believed to be a primary means to increase social class (Bullock & Limbert, 2003), and motivation in this area is arguably the critical factor contributing to success (Sternberg, 2017). We expect that relatively higher social mobility beliefs will encourage the pursuit of the primary means of changing social class, such as through education. In contrast, lower social mobility beliefs may reduce people's investment in such traditional routes toward upward mobility. Social mobility beliefs, however, may not necessarily affect all status ambitions (e.g., non-educational goals) in the same manner. As evident below, we suggest that relatively lower social mobility beliefs may also increase at least some alternative status-related goals.

Moreover, we expect the pattern just outlined to typically depend on individual differences. Social mobility beliefs may be especially impactful for those lower in perceived SES (Adler, Epel, Castellazzo, & Ickovics, 2000; Piff, Kraus, & Keltner, 2018), those feeling relatively deprived (Crosby, 1976; Pettigrew, 2016), or those with stronger desires to attain status through materialism (Richins, 2004; Richins & Dawson, 1992). For instance, many practical and psychological disadvantages associate with low SES (e.g., poorer health, financial limitations, experience of SES-related stereotype threat, psychological scarcity, less access to higher-status networks or other means of advancement). Because of greater vulnerability in general, higher social mobility beliefs may help increase motivation for those lower in subjective SES, such as helping regulate or sustain goal-directed behaviors. Likewise, lower social mobility beliefs may be more detrimental to those lower in SES, who may lack a support system or alternative means of pursuing upward mobility-related goals.

This possibility does receive some empirical support. For instance, social mobility beliefs positively related to high school students' self-reports of academic perseverance and school-reported GPA scores many weeks later, but only for those who had lower perceptions of their SES (Browman, Destin, Carswell, & Svoboda, 2017). An experiment detected the same pattern by manipulating societal social mobility information and measuring immediate behavioral perseverance, i.e., a difficult anagram task. A third study found a causal effect of social mobility beliefs on perseverance beliefs, although again this was limited to those low in subjective SES. This study showed no significant impact of the manipulation on students' year-end GPAs. This may indicate a weaker overall effect than the correlational evidence or perhaps a limit to the long-term consequences of this kind of brief intervention. For those lower in subjective SES, higher social mobility beliefs seem to help individuals to regulate their behavior, especially in the short-term, or to the extent that these beliefs are salient and fit the context (e.g., Oyserman, Destin, & Novin, 2015).

Alternatively, if people believe in low social mobility, then instead of pursuing education, they may choose to enhance their status in other ways. One status-related impression management strategy is to seek variety and distinctiveness (e.g., Bourdieu, 1984). Accordingly, in two experiments, a low social mobility frame consistently increased variety seeking (e.g., for different consumer products, food), but only for those subjectively lower in SES (Yoon & Kim, 2018). Thus, among those low in subjective SES, low social mobility beliefs may promote alternative status-striving behaviors. The belief in low social mobility may also drive some individuals to act impulsively instead of investing in their future self. For example, among a sample of American gamblers, feeling deprived predicted motivations to gamble for money, but only for those with low personal social mobility beliefs (Tabri, Dupuis, Kim, & Wohl, 2015). Moreover, across three experiments, a low societal social mobility frame consistently led to more impulsive consumerism (e.g., desire to buy nice clothing), but only among those high in materialism (Yoon & Kim, 2016). Thus, low social mobility beliefs can lead to potentially problematic behaviors for those who feel they deserve more financial success and for those who materially invest in status.

Beyond education and status-related outcomes, believing that social class change may be more or less possible, or has been more or less achieved than desired, may also affect personal well-being. In the next section, we review research and conceptualize how social mobility beliefs and well-being may relate.

Well-Being

The positive relation between social mobility beliefs and subjective well-being (Diener, 1984) appears to be relatively straightforward. Negative past experiences can influence beliefs about future selves and possibly cause distress (Markus & Nurius, 1986). Desired future selves also appear tied to self-esteem, self-efficacy, and meaning (Vignoles, Manzi, Regalia, Jemmolo, & Scabini, 2008). Applying

these notions to social mobility beliefs in particular, those who believe that they have experienced downward social mobility, or genuinely expect low social mobility in the future, may be relatively disheartened or have lower subjective well-being. This may especially occur for those who previously held upward mobility beliefs. Similarly, beliefs about experienced or expected upward mobility may help buffer against negative outcomes (e.g., Bullock, 2008) or have positive well-being effects. These effects may be stronger in the short term or when these beliefs are chronically accessible (Higgins, 1996).

One possible test of these notions is to examine social mobility beliefs in the context of immigration. The American Dream narrative of moving to the USA and improving one's status implies a possible impact on well-being. Sustaining the effort to migrate also requires believing in the possibility of a better life. For immigrants to the USA, beliefs about experienced personal social mobility (e.g., relative status in one's home country as compared to current American status) relate to several dimensions of emotional well-being. In a national sample of Latino immigrants, lower personal social mobility beliefs were associated with self-reports of worse physical health and more symptoms of major depression (Alcántara, Chen, & Alegría, 2014). In a sample of immigrants to Florida, higher personal social mobility beliefs related to fewer negative emotional episodes (e.g., feeling depressed or upset), but were unrelated to positive emotional episodes (e.g., feeling pleased or excited; Vaquera & Aranda, 2017). Notably, the results hold even after controlling for initial social class (Marmot, 2003).

Beyond migration experiences, additional research on American residents in general has examined social mobility beliefs and well-being (Wiwad, 2015). Two experiments, including a nationally representative sample, manipulated beliefs about expected societal social mobility. In both studies, a high social mobility frame led to more positive affect than a low social mobility frame. Although either societal or personal social mobility beliefs could drive these effects, another correlational study found personal (but not societal) social mobility beliefs related to positive affect (Wiwad, 2015).

Although this set of studies unsystematically examined different contexts and forms of social mobility beliefs (experienced, expected, personal, and societal), the research overall demonstrates that social mobility beliefs may affect several aspects of well-being.

Conclusion

This chapter sought to provide an overview of research on social mobility beliefs and to better understand their possible role in explaining inequality and other outcomes. Economic inequality has long been a characteristic of human societies (Pringle, 2014). Nowadays, it is commonly believed that many people may move up the societal ladder. Although increasing social mobility will not solve economic inequality, believing in social mobility makes the general idea of inequality, and the

systems that produce it, more tolerable. As we conceptualized, social mobility beliefs also have some limits – they do not directly influence people’s support for concrete policies designed to change income or wealth inequality. Together this highlights the potential power of social mobility beliefs, as well as the complexity and difficulty in altering the gap between the rich and poor. Although we are only beginning to unravel the nature, accuracy, and consequences of these beliefs, they clearly have some impact on the societal level (e.g., general support for economic inequality) as well as the personal (e.g., achievement). Thus, these are exciting times to research social mobility beliefs, with many opportunities to broaden what we know about the antecedents and characteristics, as well as their potential consequences for nations and individuals’ everyday lives.

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Social Sampling, Perceptions of Wealth Distribution, and Support for Redistribution



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Social Sampling, Perceptions of Wealth Distribution, and Support for Redistribution

Economic inequality – disparity in levels of wealth, income, and consumption – has increased markedly across developed nations over the past few decades and stands at its highest level for the past half century (Organisation for Economic Cooperation and Development [OECD], 2011). The causes of inequality are multifaceted (for a review, see Dabla-Norris, Kochar, Suphaphiphat, Ricka, & Tsounta, 2015), and economists have identified various factors that have contributed to its rise, including technological change (e.g., via automation of low-skilled jobs), globalization (e.g., via offshoring), and changes in labor market institutions (e.g., declining union membership).

Attempts by governments to mitigate rising (pre-tax) inequality have not kept pace with its sharp rise in recent decades, and some governments have exacerbated inequality by adopting *less* progressive policies, such as cuts to top income tax rates, over the same period (Alesina & Glaeser, 2004; Piketty & Saez, 2006; Salverda, 2014). This is puzzling because, as inequality increases, wealth redistribution – economic policies that transfer wealth from richer to poorer members of society – favors an increasing proportion of the population. Thus, insofar as citizens vote in accordance with their self-interest, policies and parties promising to expand

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redistribution should gain in popularity as inequality rises (Meltzer & Richard, 1981; Romer, 1975). One might intuitively suspect, in other words, that inequality will be self-limiting as more people are negatively affected and self-interest kicks in. Such a shift toward increased redistribution, however, does not seem to have occurred (Alesina & Glaeser, 2004; Piketty & Saez, 2006).

Of course, building public consensus around reducing inequality is likely to be a difficult and complex task, insofar as attitudes diverge across ideological and partisan lines, as well as between poorer and wealthier individuals, such that those who are wealthier and more conservative are more tolerant of inequality and do not favor redistributive policies (Jost, Glaser, Kruglanski, & Sulloway, 2003; Pratto, Sidanius, Stallworth, & Malle, 1994; Sears & Funk, 1991). Such anti-egalitarian political attitudes have been variously characterized as motivated attempts to fend off uncertainty or fear (Jost, Glaser, et al., 2003), rationalize inescapable social arrangements that are disadvantageous to oneself or one's group (Jost, Pelham, Sheldon, & Ni Sullivan, 2003), or legitimize the hegemony of one's own group over others (Sidanius & Pratto, 1993). Common to these explanations is an emphasis upon intra-psychic processes as the causal locus of anti-egalitarian sentiment, such as ideologically informed motivations and thinking, in determining how people perceive, interpret, and respond to inequality.

Ideology and motivational factors undoubtedly play a powerful role, influencing ideals about what the wealth distribution *ought* to be, the most appropriate means of distributing wealth, and the extent of motivation to change or maintain existing economic arrangements. Yet, these processes do not occur in a vacuum – perceptions of economic *ought* are intertwined with, and operate upon, peoples' knowledge and perceptions of what the wealth distribution across society currently *is*. Conservatives and liberals, and the rich and poor alike, care about distributive outcomes, such as ostensible levels of inequality, poverty, and average living standards (Deutsch, 1975; Mitchell, Tetlock, Mellers, & Ordóñez, 1993; Rawls, 1971; Rodriguez-Bailon et al., 2017; Scott, Matland, Michelbach, & Bornstein, 2001). Hence, it is important to determine what it is that people in general know, or rather, what they *think* they know, about how wealth is distributed across society, in order to understand how people respond to inequality in the real world.

In the present chapter, we outline an approach which emphasizes the role of environmental structure – specifically, the structure of actual wealth distribution itself – in combination with individuals' own wealth, in systematically determining perceptions of wealth distribution. This *social sampling* approach leverages research on social judgment showing that the structure of social environments shapes perceptions of social distributions in general, including income and wealth (Galesic, Olsson, & Rieskamp, 2012, 2018). It assumes that people are sensitive to the statistical properties of environments (e.g., Fiedler, 2000; Nisbett & Kunda, 1985) and have a fairly accurate understanding of wealth distribution across their immediate social network. However, these social networks are not representative of the wider population, because they tend to be comprised of people who share relatively similar sociodemographic attributes. Nonetheless, people extrapolate from their social networks to society as a whole, giving rise to systematic biases in perceptions of

wealth distribution. This process has important consequences, for example, leading wealthy people to assume that society as a whole is relatively wealthier and poorer people to assume that it is poorer. Crucially, from this perspective, biased perceptions of wealth distribution need not stem from ideology, self-serving motivations, or cognitive shortcomings but instead reflect the operations of “an unbiased mind acting in a particular social structure” (Galesic et al., 2012, p. 7).

Inequality and Support for Redistribution

Various theories suggest a positive relation between objective levels of economic inequality and support for wealth redistribution. In Meltzer and Richard’s (1981) canonical model of political economy, for example, a growing gap between the median and mean income is expected to result in greater redistribution, insofar as an increasing proportion of the electorate (those below the mean) stand to benefit from such measures and are expected to vote accordingly. Others theories suggest that, as inequality rises, and where democratic means of addressing inequality are unavailable, impoverished citizens will seek to forcibly expropriate wealth from the rich. This perspective predicts a relationship between inequality and outbreaks of political violence, such as mass protests, revolutions, and coups (Alesina & Perotti, 1994, 1996; Marx & Engels, 1848; Muller, 1985).

Although these accounts are intuitively appealing, they are not well supported by the available evidence, with many analyses observing little or no relationship between levels of inequality and support for redistribution (e.g., Gimpelson & Treisman, 2018; Kenworthy & McCall, 2007). Contra Meltzer and Richard’s model, pre-tax inequality is *negatively* associated with levels of redistribution across OECD nations (Alesina & Glaeser, 2004) and with the progressivity of tax regimes across English-speaking countries over time (Piketty & Saez, 2006). That is, where pre-tax inequality is higher, governments seemingly make *less* effort to mitigate its effect on disposable wealth, than where it is lower. Similarly, there is little evidence for an association between inequality and civil unrest (for a review, see Østby, 2013).

Political factors besides public opinion, such as manipulation of public policy by the wealthy (e.g., via lobbying and political donations) and reduced electoral turnout among poorer sections of society, may partly explain why majoritarian electoral systems have apparently done little to limit inequality (Bonica, McCarty, Poole, & Rosenthal, 2013). That is, wealthier persons may leverage disproportionate influence over political processes to prevent redistribution, even to the extent that popular support for such measures increases. Yet, political inequalities notwithstanding, public support for redistribution has remained relatively stable over time despite rapidly growing inequality (Bartels, 2005, 2008; Lupu & Pontusson, 2011; McCall, 2013). Thus, one important reason why inequality does not straightforwardly translate into increased redistribution is because it seemingly has little influence on the extent to which the public supports such measures. Research points to a variety of factors that may undermine public support for redistribution, including values and

beliefs about the determinants of inequality (Feldman, 1988; Kluegel & Smith, 1986), personal belief in upward social mobility (Alesina & La Ferrara, 2005; Ravallion & Lokshin, 2000; see also Day & Fiske, chapter “[Understanding the Nature and Consequences of Social Mobility Beliefs](#)”), and psychological mechanisms that cause people to justify the social status quo (Jost, Pelham, et al., 2003; Owuamalam, Rubin, & Spears, 2018; Rodriguez-Bailon et al., 2017; see also Blanchar & Eidelman, chapter “[Everything in Its Right Place: Tradition, Order, and the Legitimation of Long-Standing Inequality](#)”; Osborne, García-Sánchez, & Sibley, chapter “[Identifying the Psychological Mechanism\(s\) Underlying the Effects of Inequality on Society: The Macro-micro model of Inequality and Relative Deprivation \(MIREd\)](#)”). With regard to this last point, for example, Jost, Becker, Osborne, and Badaan (2017) discussed in their recent model of system-challenging and system-supporting protest how a high level of system justification should lead to lower levels of both perceived injustice and system-based anger and hence presumably increase the tolerance for inequality and decrease the likelihood of protest in the face of such inequality.

Although these various factors presumably all play a role in determining support for redistribution, a growing literature on perceptions of wealth distribution suggests the involvement of a relatively simpler mechanism. Recent research shows that perceptions of wealth distribution deviate from the objective state of affairs (Chambers, Swan, & Heesacker, 2014; Cruces, Perez-Truglia, & Tetaz, 2013; Gimpelson & Treisman, 2018; Norton & Ariely, 2011). People across the political spectrum are prone to underestimate levels of inequality (Norton & Ariely, 2011), overestimate prospects for social mobility (Day & Fiske, 2017; chapter “[Understanding the Nature and Consequences of Social Mobility Beliefs](#)”; Kraus & Tan, 2015), and misperceive their own relative position in the distribution (Cruces et al., 2013; Gimpelson & Treisman, 2018). Such misperceptions may undermine support for redistribution, for example, by reducing the apparent necessity of redistribution (Norton & Ariely, 2011), mitigating the negative hedonic consequences of inequality (Day & Fiske, 2017), and undermining rational assessment of individuals’ own economic and political interests (Cruces et al., 2013).

These findings suggest a relatively straightforward explanation for why actual levels of inequality are seemingly unrelated to support for redistribution: if people do not accurately perceive inequality, for example, they should not be expected to adjust their preferences substantially in response to objective changes in inequality. Relatedly, research suggests that perceptions are a stronger predictor of support for redistribution than objective macro-economic conditions (Gimpelson & Treisman, 2018; Niehues, 2014), and interventions aimed at correcting misperceptions can affect redistributive preferences, underscoring the notion that perceptions of wealth distribution are an important determinant of policy preferences (Cruces et al., 2013).

Insofar as attitudes to redistribution rely upon perceptions, rather than objective economic reality per se, it is important to establish how perceptions of wealth distribution are determined – on what information do people base their perceptions of wealth distribution, what are the processes involved, and how are these perceptions translated into policy preferences.

Environmental Structure and Social Perception

Many scholars have emphasized that social judgment interacts with, and is shaped and constrained by, structural properties of the external environment (Brunswick, 1955; Fiedler, 2000; Fiedler & Juslin, 2006; Galesic et al., 2012, 2018; Simon, 1956; Smith & Semin, 2007). Spatial and temporal constraints, social distance, and cultural and economic restrictions all bound the information a person can acquire about the social world. People have more access to information about themselves than they do of other people, and greater knowledge of their own culture and in-groups, than of out-groups and spatially or socially distant cultures. Information about the social world, then, is rendered selectively accessible by the environment, and this may often be a sufficient cause of biased or inaccurate social perception (Fiedler, 2000; Fiedler & Juslin, 2006). In the following, we discuss two properties of social environments that are of particular relevance to perceptions of social distributions in general, including perceptions of wealth distribution: homophily and skewness.

A basic organizing principle of social networks is a tendency toward homophily, which entails that contact between similar people occurs more frequently than contact between dissimilar people (Lazarsfeld & Merton, 1954; Marsden, 1987; McPherson, Smith-Lovin, & Cook, 2001; Reagans, 2011). Social environments are clustered, such that social networks tend to be comprised of people who share relatively similar sociodemographic attributes (e.g., ethnicity, age, education and socioeconomic status), and are geographically proximal to each other. Homophily also applies to psychological attributes, such as beliefs, values, and political preferences (Huston & Levinger, 1978).

Homophily appears to be strongly driven by selective attraction and social influence. People may choose to associate with similar or like-minded others (Festinger, 1957; Fu, Nowak, Christakis, & Fowler, 2012), or they may adopt the values, beliefs, and behaviors of persons with whom they regularly interact (Asch, 1955; Christakis & Fowler, 2007, 2008; Cialdini & Goldstein, 2004). People choose to live in communities in which their political ideology is widely shared, for example, and members of political minorities show an increased desire to migrate, compared to members of political majorities in the same community (Motyl, Iyer, Oishi, Trawalter, & Nosek, 2014). Via these processes, peoples' own attributes and behaviors play a role in shaping the social environment to which they are exposed on a daily basis and in a manner that renders them relatively overexposed to similar others. An additional, non-psychological mechanism is mere physical propinquity – people are more likely to have contact with others who are spatially closer to themselves, and certain demographic attributes, such as wealth, are geographically clustered (Blau & Schwartz, 1984; McPherson et al., 2001). Hence, some degree of homophily is arbitrarily imposed by constraints on the likelihood of encountering persons who are dissimilar to oneself. In an ethnically homogenous community, for example, the extent to which a person is inclined to selectively associate with others of the same ethnicity will matter relatively less – the ethnic composition of their

social network will be constrained by the (lack of) opportunities they are afforded to meet people of different ethnicities (Pettigrew, Wagner, & Christ, 2010; see also Brown-Iannuzzi & McKee, chapter “[Economic Inequality and Risk-Taking Behaviors](#)”).

Another important feature of social environments concerns the underlying frequency distribution of different attributes across the population. Whereas many properties of the social world (e.g., intelligence, height, political ideology) are normally distributed, others possess some degree of positive or negative skew (see Fig. 1). Where higher values entail more desirable outcomes, positively skewed attributes are those on which most people do poorly, or of which most people possess relatively little (e.g., income, wealth, performance on difficult tests), and negatively skewed attributes are those on which most do well (e.g., age of death in developed countries, performance on easy tests). Put differently, positively skewed attributes are those on which the majority of persons are in the lower range, such that the mean of the distribution exceeds the median, and vice versa for negatively skewed attributes.

People are sensitive to the shape of social distributions (Nisbett & Kunda, 1985), and various theories imply that skewness plays a role in social judgment (e.g., range-frequency theory; Parducci, 1968). For example, skewness may affect a persons’ subjective evaluation of their own attributes, including wealth, via its effect on the ratio of favorable to unfavorable social comparisons. Where the lower tail of income distribution is larger, and the upper tail smaller (i.e., at greater levels of positive skew), the *relative rank* of any constant income in between is higher, such that it compares favorably against a higher proportion of other incomes (Hagerty, 2000; Seidl, Traub, & Morone, 2006; Smith, Diener, & Wedell, 1989). Consequently, people seem to derive greater personal satisfaction from the same absolute income under a more versus less positively skewed distribution (Hagerty, 2000; Seidl et al., 2006). Skewness may also play a more basic role in how people perceive wealth distribution itself and differently so depending on their own level of wealth – an issue we return to after introducing the concept of *social sampling*.

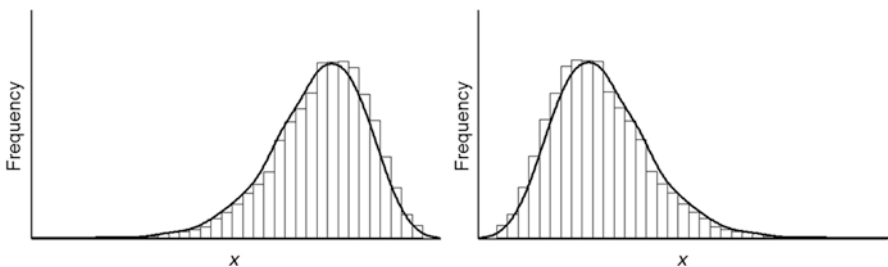


Fig. 1 Example of a negatively (left) and positively skewed (right) frequency distribution

The Social Sampling Model

Galesic et al. (2012, 2018) proposed a model in which judgments of population-level social distributions are based upon relevant instances a person has previously encountered in their immediate social environment. In this *social sampling model*, the frequency distribution of encountered instances of a particular social attribute (e.g., income) is assumed to be represented in memory and can be sampled from to infer its distribution across the wider population. Because distributions of social attributes are rarely, if ever, experienced exhaustively, the majority of instances stored in memory are assumed to be from a person's social network – such as family, friends, colleagues, and acquaintances.

Social sampling thus predicts that perceptions of population-level wealth distribution will be derived from, and will consequently mirror, individuals' experience of wealth distribution across persons they directly and regularly encounter in day-to-day life. This seems plausible in light of theories suggesting that people are concerned with, and attentive to, other individuals' wealth. Research on social comparison and relative deprivation shows that people frequently compare their own wealth or income against that of others whom they encounter (Clark & Oswald, 1996; Easterlin, 1974; Festinger, 1954; Hagerty, 2000; Smith et al., 1989; Taylor & Lobel, 1989). Although explicit information (e.g., a person's salary) will often be unavailable, perceivers can utilize a host of cues to infer, with relative accuracy, others' wealth, including a person's tastes and habits of consumption (Bourdieu, 1984; Peterson & Kern, 1996), home (Davis, 1956), attire (Gillath, Bahns, Ge, & Crandall, 2012), Facebook profile (Becker, Kraus, & Rheinschmidt-Same, 2017), and verbal and non-verbal behaviors (Kraus & Keltner, 2009; Kraus, Park, & Tan, 2017). Presumably, people are particularly accurate in estimating the wealth of socially and spatially proximal others, such as friends, colleagues, and other social contacts, due to repeated exposure to, and aggregation of, a wide array of relevant cues.

Thus, it seems reasonable to assume that people have a fairly accurate picture of wealth distribution across their immediate social network. Indeed, Galesic et al. (2012) found that, when estimated social circle distributions were aggregated across participants, the results corresponded closely to the true population distributions of the various attributes under estimation. Similarly, a recent study found that asking people about the voting intentions of their social contacts facilitated more accurate prediction of real-world electoral outcomes than did asking about individuals' own voting intentions (Galesic et al., 2018). These findings suggest that there is little systematic error in how social contacts' attributes are perceived and estimated, because pooling social circle estimates across individuals, thus cancelling out individual-level sampling errors, produces an accurate reflection of the true population. This would not be the case if people were generally prone to either underestimate or overestimate social contacts' attributes, because such a bias would also manifest in aggregated social circle estimates.

Predictions of Social Sampling

The social sampling model predicts that, even though and to some extent *because* people accurately perceive their social contacts' wealth, social sampling will give rise to biased perceptions of population-level wealth distribution. Due to homophily, social networks overexpose people to similar others, and consequently, social sampling renders people prone to overestimate the proportion of individuals in the wider population who are relatively similar to the self on a given attribute. In turn, the direction and magnitude of bias in estimated population distributions depend upon the shape of the (true) underlying distribution – its skewness – and a person's position within it. For positively skewed attributes, people are prone to overestimate (underestimate) the proportion of relatively better-off (worse-off) people in the population to an ever greater degree as their own standing increases. The opposite pattern is predicted for negatively skewed attributes, such that individuals increasingly overestimate the proportion of worse-off individuals as their own standing diminishes. This occurs because homophily ensures that social samples are increasingly less representative of the true state of affairs toward the long tail of a skewed distribution, such that persons at the greatest extreme are most bias-prone. Because wealth distribution is positively skewed (i.e., most people are not wealthy), social sampling predicts that individuals are prone to overestimate wealth as their own wealth increases and that the very wealthiest (least wealthy) are the most (least) prone to overestimation.

Galesic et al. (2012) found that the social sampling model accurately predicted estimated population distributions across a range of attributes, with variously shaped frequency distributions (e.g., household wealth, level of education, frequency of work stress, frequency of health problems). For example, people from wealthier (compared to poorer) households reported having wealthier social contacts and estimated wealthier population distributions. For positively (negatively) skewed distributions, the pattern of errors – as indexed by the deviation of estimated from true population distributions – was such that the proportion of better-off (worse-off) persons was overestimated to a greater extent as individuals' own standing increased (diminished), as the model predicts.

Wealthier People Think People Are Wealthier and Why It Should Matter

The social sampling model leads to important predictions about perceptions of wealth distribution. In particular, it suggests that perceptions will vary systematically as a function of a person's own level of wealth. Due to the role of homophily in overexposing people to similarly wealthy others via social circles, wealthier, relative to poorer, persons are expected to estimate a higher proportion of relatively wealthy individuals, thus perceiving higher aggregate levels of wealth across the

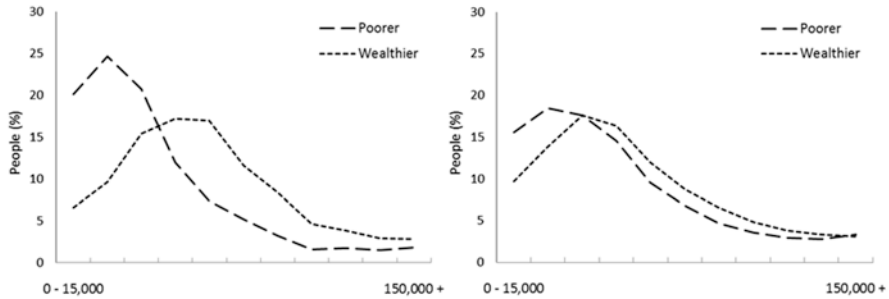


Fig. 2 Average estimated social circle (left) and population (right) income distributions as a function of participant income, from Dawtry, Sutton, & Sibley, 2015. Poorer and wealthier participants are the bottom and top third, respectively, ranked by household income

population and vice versa for poorer persons (see Fig. 2). Wealthier individuals' perceptions are also predicted to be less accurate (toward overestimation of wealth), because their social circles are less representative of the actual distribution, in which most people are relatively poor. Presumably, as inequality increases and wealth distribution becomes more positively skewed, the effects of social sampling are magnified such that wealthier persons overestimate wealth to an even greater degree and wealthier and poorer persons' perceptions become more divergent.

Framed in more tangible terms, social sampling entails that wealthier, relative to poorer, persons are prone to perceive greater affluence and, conversely, lower poverty, such that living standards appear better across society overall. This may have important downstream consequences for policy preferences insofar as people are sensitive to these properties of wealth distribution and employ them in judging the fairness of economic outcomes and determining support for redistribution. Indeed, various theories of distributive justice have suggested that people judge wealth distribution against a variety of normative criteria, including *equality*, *need*, and *efficiency* (Deutsch, 1975; Mitchell et al., 1993; Rawls, 1971). Equality calls for limits on the extent of economic inequality, whereas need involves the minimization of absolute poverty among societies' least well-off members. Efficiency involves the maximization of absolute levels of wealth across society as a whole (Arrow & Debreu, 1954; Okun, 1975).

Each of these principles is assumed to be valued in their own right, such that more of each (or *less*, in regard to need) is generally favored or there exist thresholds which vary from person to person (Mitchell et al., 1993; Scott et al., 2001). For example, liberals and conservatives may differ to some degree in their tolerance for inequality, but irrespective of political ideology, neither would be expected to favor, respectively, a state of complete equality or complete inequality (Norton & Ariely, 2011). Importantly, normative criteria are applied interactively, such that people in general are more tolerant of inequality when average wealth is higher and absolute poverty is lower, with such preferences revealed by fairness ratings of experimentally manipulated income distributions (Mitchell et al., 1993; Scott et al., 2001). Fairness is, in turn, an important proximal motivator of support for redistribution

(Alesina & Angeletos, 2005; Fong, 2001; Smith & Tyler, 1996), and moreover, it has been argued that people are motivated to address real-world inequality *only to the extent that it is perceived to be unfair* (Starmans, Sheskin, & Bloom, 2017; see also Osborne et al. chapter “[Identifying the Psychological Mechanism\(s\) Underlying the Effects of Inequality on Society: The Macro-micro model of Inequality and Relative Deprivation \(MIREd\)](#)”).

Because higher living standards positively, and independently, influence fairness judgments and perhaps serve to offset the potential unfairness of inequality, perceptions of average wealth levels across society may be one important determinant of support for redistribution. This is echoed by analyses of survey data showing that support for redistribution is positively related to levels of unemployment and perceptions of others’ economic well-being, between countries and within countries over time, after controlling for individuals’ own economic circumstances (Blekesaune, 2007, 2013; Blekesaune & Quadagno, 2003). Irrespective of their own economic situation, then, people appear more supportive of redistributive policies when they see that other persons’ living standards are low or have suffered a decline.

Wealthier peoples’ greater tendency to oppose redistribution has often been explained in terms of self-interested or ideological motivations to maintain an advantaged socioeconomic position (Barr, 1992; Meltzer & Richard, 1981; Pratto et al., 1994; Sears & Funk, 1991; see also Scheepers & Ellemers, chapter “[Social Inequality and Status Stress](#)”). Nevertheless, as discussed, much theory and research shows that rich and poor people alike account for others’ outcomes in evaluating the fairness of wealth distribution across society. Social sampling points to an additional, complementary mechanism which may partially account for wealthier persons’ relatively greater opposition toward redistribution. Specifically, wealthier people are prone to perceive higher living standards across society and hence to “see” that the prevailing wealth distribution accords relatively more closely to normative ideals of fairness – that wealth distribution is as it ought to be. Social sampling also implies an asymmetrical effect of inequality on wealthier and poorer persons’ perceptions, such that wealthier persons are prone to overestimate wealth more strongly as inequality increases. As such, wealthier persons’ perceptions and policy preferences are potentially less responsive to rising inequality, than are poorer persons.

From Social Sampling to Support for Redistribution

Dawtry et al. (2015) sought to investigate the role of social sampling in perceptions of wealth distribution and support for redistribution. We predicted that wealthier, relative to poorer, individuals would report moving in wealthier social circles and, in turn, estimate higher average levels of wealth across the wider population. Insofar as people are sensitive to others’ living standards, as suggested by normative theories of distributive justice described above, we expected that perceptions of higher mean wealth would lead wealthier persons to judge the prevailing wealth distribution as more fair and express less support for redistribution.

Across two studies, US MTurk participants estimated the frequency distribution of household incomes (Study 1a; $N = 305$) or point estimates of overall mean income and mean incomes at each 20th percentile (Study 1b; $N = 321$), for both their social circles and the US population. Participants also rated the fairness of the population-level income distribution, their level of support for redistribution, and political orientation (i.e., liberal-conservative) and reported their own household income. In Study 1b, we additionally measured perceived self-interest in redistribution.

In both studies, we observed a chain of serial mediation in which participants' own income was negatively, and indirectly, related to support for redistribution while controlling for political ideology, inequality (indexed via the Gini coefficient of estimated population distributions), and, additionally in Study 1b, perceived self-interest in redistribution. As depicted in Fig. 3, wealthier, relative to poorer, participants reported moving in wealthier social circles and, in turn, estimated wealthier population-level distributions, perceived the distribution to be fairer, and expressed lesser support for redistribution. This pattern was the same whether mean incomes were derived from estimated frequency distributions (Study 1a) and point estimates of mean incomes at each 20th percentile or were estimated directly (Study 1b).

In Study 2, drawing data from the New Zealand Attitudes and Values Survey (NZAVS), we sought to conceptually replicate the initial findings using an objective proxy for social circle wealth, as opposed to participants' own estimates, in a large, nationally representative sample ($N = 4634$ registered New Zealand voters). In addition to individual-level data on income and political attitudes, the NZAVS contains a variety of measures describing economic conditions in respondents' local neighborhood, including levels of socioeconomic deprivation. Although people inevitably have some ties with spatially distant persons, proximity is nevertheless a key feature of social networks, and relatively more ties are with individuals who are geographically proximal (McPherson et al., 2001; Reagans, 2011). Hence, we assumed that people living in more deprived areas would have relatively poorer social contacts and vice versa.

Echoing our previous findings, we found that respondents' household income was positively related to perceived fairness via local levels of socioeconomic deprivation. Specifically, wealthier respondents lived in wealthier neighborhoods and, consequently, perceived New Zealand to be a fairer society, after controlling for individuals' political orientation, employment status, and demographic variables

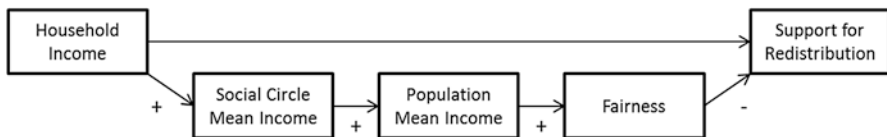


Fig. 3 Conceptual model of Dawtry et al. (2015) Study 1a and 1b findings, showing the indirect effect of respondents' household income on support for redistribution, as mediated by social circle mean income, estimated population mean income, and perceived fairness of income distribution. No direct effects of household income on support for redistribution were observed after mediators were included

(e.g., age and gender). These results held across various operationalizations of social circle wealth (e.g., median income; proportion of residents in receipt of state benefits) and fairness (e.g., National Wellbeing Index; General System Justification).

Conclusion

Most theories of people's responses to economic realities appeal to motivated reasoning. People (and groups) are motivated to justify the status quo, to defend their self-interest, and to uphold a positive image of themselves. These motivational forces give people at the high and the low end of the socioeconomic ladder reason to see the economic system as legitimate and effective – though of course people on both sides of the political divide find plenty to dislike about it.

Complementary to these phenomena, our studies show that even when people utilize economic information without any motivational bias, they may form incorrect perceptions of economic reality. Specifically, since wealthy people tend to move in wealthier social circles, they tend to extrapolate from this “convenience sample” and assume that society as a whole is wealthier. Crucially, this sample is biased by the socio-structural principle of homophily: people live, work, and socialize together with people of relatively similar socioeconomic standing. The only cognitive or motivational fault inherent in this bias is individuals' failure to appreciate or correct for biases in the information from which they are sampling. The effects of social sampling we describe here are also likely to be exacerbated by rising inequality, such that wealthier and poorer persons' perceptions come to diverge more strongly as inequality rises.

Crucially, even if these biased estimates are not distorted by any particular political motivation, they have knock-on consequences for people's political attitudes: perceiving society to be wealthier leads people to perceive that it is fairer and that redistribution is less warranted. In this sense, wealthier and poorer individuals do not only want different things for their countries, but they also experience living in different countries. Richer Americans, effectively, live in a richer America and richer New Zealanders in a richer version of their country. Since their countries are wealthier, there is less need to redistribute.

Social sampling need not imply that wealthier persons are not aware of the existence of growing inequality. Regardless of their own level of wealth, there are many channels (e.g., the media) by which any person may *vicariously* learn about wealth distribution. What social sampling does entail, or rather reflect, is that the wealthier are less directly exposed to the reality of wealth distribution than are poorer persons. Whereas the wealthier may have an abstract understanding of inequality and poverty, poorer persons more directly *witness* these phenomena, their evolution over time, and the material consequences they exert on other individuals' lives.

Although the effects we observed are relatively small, they point to an environmental constraint on the support of societies' richer members for egalitarian policies. The attitudes of richer individuals are disproportionately important since they are more likely to participate in, and have influence over, mainstream political pro-

cesses (Bonica et al., 2013). Further, as inequality grows, wealth is becoming increasingly spatially concentrated (Massey, Fischer, Dickens, & Levy, 2003), meaning that social sampling processes may contribute to ever more polarized political judgments and preferences. This suggests that social psychologists who are interested in the psychology of redistribution may need to pay closer attention not only to people's mental representations and motivations but to the socio-structural realities that constrain them. As Smith and Semin (2007, p. 132) wrote in their advocacy of the cognitive-ecological approach in social psychology, "cognition is situated – not isolated in inner representations and processes but causally interdependent with the current physical and social environment."

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