



# Income Inequality and Status-Seeking

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The objective of this paper is to study status-seeking, defined as pursuit for elevated social status, and how it relates to income inequality. Based on the literature suggesting that in unequal societies people are more concerned about their position in the social hierarchy, we hypothesize that people will also be more eager to attain enhanced social status in the eyes of others. To test this hypothesis we use repeated cross-sectional micro data from the European Social Survey (ESS), which was collected biannually from 2002 to 2012, and use it in combination with income inequality data from the Eurostat. With this data we can complement existing studies by focusing on both between- and within-country over-time variability in income inequality and status-seeking. We find evidence of a positive relationship between income inequality and status-seeking. However, the relationship appears to be non-linear and characterized by an inverted U-shape instead. Moreover, the analysis reveals that the relationship between income inequality and status-seeking is stronger among lower social status groups than those higher up in status hierarchy. These findings have implications for the literature and foster us to re-consider theoretical claims suggesting a linear relationship between income inequality and psycho-social outcomes.

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## **1. Introduction**

Social status-seeking – broadly defined as individuals desire for a higher relative standing in the social hierarchy in terms of esteem, respect and influence – is identified as one of the core human values (Lindenberg, 2001; Schwartz, 1992). As reported in Anderson et al. (2012), people care about social status because high social status is typically associated with various (non)material benefits, e.g., greater autonomy and control (Berger, Rosenholtz, and Zelditch, 1980), more material resources (Savin-Williams, 1979), higher self-esteem (Rawls, 1972; Weber, 1968 [1922]), and more esteem and respect in the eyes of others (Sherif, White, and Harvey, 1955). An important feature of social status is that it is based on other people’s subjective evaluations of where someone ranks in the social hierarchy (Berger, Cohen, and Zelditch, 1972). Hence, status-seeking means that people’s pursuit of higher standing needs to be ‘socially visible’ (Heffetz and Frank, 2008). While scientific interest in status-seeking and status concerns has increased in recent decades (De Botton, 2004; Frank, 1999; Heffetz and Frank, 2008; Marmot, 2004; Wilkinson and Pickett, 2010; Willer, Feinberg, Simpson, and Flynn, 2013), empirical evidence remains scarce. The first objective of this paper is to discuss and empirically capture status-seeking in terms of heightened desire for admiration, recognition and respect in the eyes of others.

In the backdrop of the rising income inequalities that many welfare states have witnessed since the 1980s but also stark differences in income inequality between countries (Atkinson and Piketty, 2007; OECD, 2011), a widespread debate on the consequences of inequality has emerged (Neckerman and Torche, 2007; Salverda, Nolan, Checchi, Marx, McKnight, Tóth, and Van de Werfhorst, 2014; Van de Werfhorst and Salverda, 2012). One rather influential idea is that income inequality intensifies social hierarchies, causing people to become increasingly worried about their relative position in the status hierarchy (Clark and D'Ambrosio, 2015; Wilkinson and Pickett, 2010). Increasing status-seeking – striving to keep up with the Joneses – and the psychosocial stress related to that are discussed as the underlying causes behind unequal societies faring ‘worse’, for instance in terms population health, crime and happiness (Delhey and Dragolov, 2014; Layte and Whelan, 2014; O'Donnell, Van Doorslaer, and Van Ourti, 2015; Pare and Felson, 2014; Wilkinson and Pickett, 2010). The second

objective of this paper is to contribute to this literature by studying the relationship between income inequality and status-seeking. In doing so we take into account differences in the relationship between inequality and status-seeking by examining individuals' socio-economic position.

We combine individual level, biannual data from six waves of the European Social Survey (ESS) ranging from 2002 until 2012. Macro level data on income inequality is attained from the Eurostat. On the one hand, this paper will contribute to the discussion on whether status-seeking differs between countries and whether cross-national variation in status-seeking can be related to income inequality. On the other hand, we also study the relationship in a within-country, over-time context, which advantageously eliminates the problem of between-country heterogeneity (Kenworthy and McCall, 2008).

## **2. Social status and status-seeking**

Social status refers to one's relative standing in the social hierarchy (De Botton, 2004; Weiss and Fershtman, 1998). In the literature, a distinction is made between the concept of status as rank and status as respect (see Anderson et al., 2012). Status rank refers to a ranking or zero-sum variable of status that purports if one person in a group has status (i.e., influence and power), the others have less of it (Blau, 1955; Homans, 1950). Status as respect is defined as a non-zero-sum variable of respect and esteem from others that all or none can have. Desire for status as respect and esteem is individually determined in relation to others (i.e., the extent to which respect and recognition from others is important to oneself), whereas 'an individual's status rank in a group is a product of the group's collective judgments' (Anderson et al. 2012: 1078). As Chan and Goldthorpe (2007) note, social status is different than socioeconomic position or social class. The particular dimension of social status is the social 'honor' it entails (Chan and Goldthorpe, 2007; Jasso, 2001; Weber, 1968 [1922]).<sup>1</sup> This implies that one's social status is determined by how her positional and ascribed attributes are evaluated by others (Coleman, 1990; Weiss and Fershtman, 1998).

Status-seeking is a pursuit for enhanced social status. It is a powerful motive that drives much of human social behavior (Anderson et al., 2012).

Research has shown that desire for social status predicts status-seeking behavior (Flynn, Reagans, Amanatullah, and Ames, 2006; Willer et al., 2013). Since high social status is typically associated with various material and non-material benefits, status-seeking is often seen as a universal human motive – an evolved adaptation to secure socio-economic advantage. However, recent work has demonstrated that status-pursuits can also vary between individuals. For example, Anderson and colleagues (2012) show that people who believe they provide little value to the group infer that others expect them to hold a lower status rank and conform to this expectation by preferring lower social status rank. Status-seeking might also vary depending on how much people care or are aware of their relative position in the social hierarchy (De Botton, 2004). Furthermore, factors like social norms, the behavior of others, and the extent to which comparisons with others are prevalent in a particular context are all factors that can influence individual's desire or strive for social status (De Botton, 2004; Frank, 1999; Merton, 1968).

Two main arguments have been put forward in relation to social status-seeking and its consequences. On the one hand, desire for social status may inspire achievement orientation motives. Because having a high status is perceived as entailing more favorable treatment, status-seeking individuals may work harder and invest more in their human capital (De Botton, 2004; Parsons, 1970; Weiss and Fershtman, 1998). Furthermore, to the extent that parents care about the status of their children, they will be more inclined to invest in their children's education and development (Weiss and Fershtman, 1998). These investments are, in turn, likely to have positive societal consequences by increasing economic efficiency and growth rates. On the other hand, given that social status is relative, status-seeking individuals may try too hard and expend excessive effort in order to keep up. This, in turn, might have numerous negative consequences, including status anxiety (De Botton, 2004; Frank, 1999), stress and health problems (Dickerson and Kemeny, 2004; Slavich, Way, Eisenberger, and Taylor, 2010; White, Langer, Yariv, and Welch, 2006), reduced solidarity (Schwartz, 2010), unproductive consumption (Frank 1999), unproductive competitiveness (Frank, 1999; Levine, Frank, and Dijk, 2010), and delinquent behavior (Faris and Felmlee, 2011; Wilkinson, 2004). In this way, status-seeking

could also divert resources away from welfare-enhancing uses, wasting them from the point of view of society as a whole (Ball, Eckel, Grossman, and Zame, 2001).

Against the backdrop of these positive and negative implications, it is important to understand the conditions under which people may vary in their desires for status. This paper focuses on income inequality in a society, in particular, and how that relates to status-seeking as discussed in the next section.

### **3. Income inequality and status-seeking**

Income inequality can be seen as a measure of social status hierarchy. Given that social status hierarchy is viewed as a hierarchy from the most-valued people at the top to the least-valued individuals at the bottom, greater income disparity is likely to contribute to status competition as well as concerns about one's relative position in the status hierarchy (Delhey and Dragolov, 2014; Layte and Whelan, 2014; Loughnan, Kuppens, Allik, Balazs, de Lemus, Dumont, Gargurevich, Hidegkuti, Leidner, Matos, Park, Realo, Shi, Sojo, Tong, Vaes, Verduyn, Yeung, and Haslam, 2011; Wilkinson and Pickett, 2010). Income inequality also affects distance from the reference group. According to Veblen (1931), people have the tendency to compare themselves to those higher in the hierarchy – the most advantaged individuals in a society set the standards for the rest. In fact, Veblen proposes that if the Joneses' are richer than a neighbor, they do not care about that neighbor's consumption; rather, they are attempting to keep up with an even richer reference group. In unequal societies, those who are higher are farther away, adding to the status concerns of the rest. Thus, upward comparisons are considered to be more common and are more likely to be stressful (Leigh, Jencks, and Smeeding, 2011). If people compare themselves to those higher on the ladder, they may feel the need to achieve more to reach the same levels as the rich. People would then become increasingly concerned about their status in more unequal societies, making them more likely to review personal achievements in the context of evaluations of others. Hence, we predict that the larger the gap between income groups in a society, the greater the need

to keep up and belong. This leads to the following expectation: income inequality is positively associated with status-seeking.

It is also likely that the relationship between income inequality and status-seeking differs per an individual's socio-economic position. Regarding the latter, Robert Merton (1968) argues that inequality restricts opportunities to achieve success and attain social status, as the social rules of competition are biased towards the wealthy, and therefore those with fewer resources need to engage in greater efforts to attain status. From this perspective, unequal contexts are more positively associated with status-seeking among the lower status groups. Though studies on differences between inequality and status-seeking among socio-economic groups are limited, we have indicated the likelihood of some variation in importance given to status-seeking per social position. It is thus an open question whether such a variation will be observed in the way income inequality relates to status-seeking. This study will provide a first empirical exploration.

## **4. Methodology**

### **4.1. Data**

The individual-level data comes from the European Social Survey (ESS). We combined all waves of ESS currently available, resulting in a dataset containing information from the following six years: 2002, 2004, 2006, 2008, 2010, and 2012. The sample consists of 30 countries in the European region. We restricted the sample to the population of those in the age of 18-65 as we were interested in status-seeking among working-age people. We have a total of some 180,000 individuals nested in these country-years. The macro level data is attained from the Eurostat (2015), which is a leading provider of high quality statistics on Europe. We matched each ESS survey round with macro data from the Eurostat accordingly. When macro indicators were not available for the year appropriate, then we took the closest observation possible.

### **4.2. Dependent variable**

Status-seeking. In order to measure status-seeking, we used variables from the ESS. Participants in the ESS were presented with a list of different personality portraits and asked the following: 'How much like you is this person?'<sup>2</sup> These

items were part of the 'Human Values Scale', which was designed to classify respondents according to their basic value orientations (Schwartz, 1992). Three of the responding items come closest to the concept of status-seeking we focus on in this paper:

- 1) It is important to her/him to get respect from others. She/he wants people to do what she/he says;
- 2) It is important to her/him to show her/his abilities. She/he wants people to admire what she/he does;
- 3) Being very successful is important to her/him. She/he hopes people will recognise her/his achievements.

All three items were measured on a similar response scale, a 6-point asymmetric bipolar categorical scale (not like me at all, not like me, a little like me, somewhat like me, like me, very much like me). Combining the three items yields a scale with a Cronbach's alpha of 0.70. The resulting 'status-seeking index' is the dependent variable, as it is a more reliable and parsimonious means to capture the concept of status-seeking than using the items separately. What is important for this paper is that all of the items capture a social-evaluative component, indicating people's desire to be recognised by others. It is this desire to excel in the eyes of others that distinguishes our index from a simple achievement orientation motivation. Other studies have used comparable measures of status-seeking, for instance, see Flynn and colleagues (2006) and Willer and colleagues (2013).

### **4.3. Independent variables**

Income inequality. Our central explanatory variable is income inequality in a country. We used the Gini coefficient as a measure of income inequality. The Gini coefficient is a widely used measure that ranges from 0 (everyone has the same income) to 100 (one person owns all the income). It indicates the level of inequality across the entire income distribution of an area. We look at Gini coefficients of net income inequality based on equalised disposable household income, which is the income inequality after taxes and social transfers. It is a preferred option because it also captures inequality in living standards. We also consider that the Gini index is not the only measure of income inequality. As an



additional robustness check to capture the distribution of income in a country, we also looked at income inequality as the income quintile share ratio or also known as the P80/P20 ratio. It is a measure of the inequality of income distribution that is calculated as the ratio of total income received by the 20% of the population with the highest income (the top quintile) to that received by the 20% of the population with the lowest income (the bottom quintile) (Eurostat, 2015).

Socio-economic status. To capture socio-economic status, we use an International Socio-Economic Index (ISEI) of occupational status developed by Ganzeboom et al. (1992). This measure reflects both occupational education and income, and it is particularly well-suited for international comparisons. We use this indicator to study the effect of income inequality on status-seeking in different socio-economic groups. An alternative would be to use income as an indicator of socio-economic position. Unfortunately, the proportion of missing values for the household income variable in the ESS reaches 27%. The advantage of ISEI is that it reflects the socio-economic position of each individual and the proportion of missing cases is somewhat lower (11%). We recoded the ISEI variable into percentile ratio ranging from 0 to 1, indicating the position of an individual in the distribution on the socio-economic scale.

#### **4.4. Control variables**

We also controlled for the following general socio-demographic factors to account for the possibility that the composition of the population might differ between countries and waves: age, religiousness, ethnic minority status, and unemployment status. Lastly, in order to take account of country's wealth we controlled for economic activity as measured by the GDP, which was indexed per capita in Purchasing Power Standards. As other macro level information, this was also attained from the Eurostat.

Table 1 presents the descriptive information of all variables used in the analysis.

**Table 1.** Descriptive statistics of variables used in the analysis.

<b>Variable</b>	<b>N</b>	<b>Mean</b>	<b>Std.Dev.</b>	<b>Min</b>	<b>Max</b>
Status-seeking	178058	3.89	1.06	1	6
Gini	184361	2.90	3.87	22	37.8
P8020	184361	4.57	1.04	3.1	7.3
GDP per capita	184361	25643	8.60	9100	55000
ISEI	165770	.48	.29	.01	1
Male	184259	.47	.50	0	1
Religiousness	182773	4.5	2.96	0	10
Unemployment	184361	.09	.28	0	1
Ethnic minority	181801	.06	.23	0	1
Age	184361	42.2	1.34	18	65

#### 4.5. Estimation strategy

The dataset consists of individuals who were interviewed in different countries in Europe at different points in time (2002, 2004, 2006, 2008, 2010 and 2012). The advantage of having individuals observed in different countries and years is that we can study the relationship between income inequality and status-seeking both between and within countries. We estimated two types of multilevel models to study the relationship between income inequality and status-seeking. Multilevel models were desirable because they allowed us to include individual-level and aggregate-level predictor variables.

First, we estimated two cross-classified multilevel models, in which individuals (identified by subscript ( $i$ )) were nested in two higher-level contexts, country ( $j$ ) and survey year ( $t$ ) (equation 1). The response variable is the level of status-seeking of individual  $i$  in country  $j$  in survey year  $t$ . The level of status-seeking is a function of individual's socio-economic status measured with an ISEI index (ISEI), income inequality (GINI), a quadratic term of income inequality (GINI<sup>2</sup>) and GDP per capita (GDP), supplemented with the interaction effect between income inequality and occupational status (GINI\*ISEI), and income inequality squared and socio-economic position (GINI<sup>2</sup>\*ISEI). Because these two contexts (survey year and country) are not nested among themselves, the cross-classified multilevel model specifies residual variances for both levels separately ( $\zeta_j$  for between-country variance and  $\xi_t$  for between-survey year variance). Whereas standard multilevel models for nested levels 2 and 3 would estimate the variance at a level 2 within level 3, the cross-classified multilevel model for

un-nested levels 2 and 3 estimates a residual variance at level 2 assuming that this variance is equal across units of level 3 and vice versa (Rabe-Hesketh and Skrondal, 2008). Given the short time span of investigation, much of the variability in income inequality is found between countries rather than within countries. The model therefore suffers from similar weaknesses as cross-sectional analyses on inequality effects because it is uncertain whether inequality or some other omitted country characteristic drives the population's status-seeking.

$$y_{ijt} = \alpha + \beta \cdot ISEI_{ijt} + \gamma \cdot GINI_{jt} + \eta \cdot GINI^2_{jt} + \lambda \cdot GDP_{jt} + \delta \cdot GINI_{jt} \cdot ISEI_{ijt} + \theta \cdot GINI^2_{jt} \cdot ISEI_{ijt} + \zeta_j + \xi_t + \varepsilon_{ijt} \quad (1)$$

The second type of model, given in equation 2, delivers the strongest test of an inequality effect, as it includes both an inequality measure at the aggregate (country-year) level and fixed effects for country (country dummies CD) and survey year (year dummies YD). The country and year dummies correct for the non-independence of observations within countries and years (Brady and Finnigan, 2013). Country dummies control for any stable unobserved characteristics of countries (e.g., history and culture), which means that the models reflect the effect of income inequality net of such characteristics. The year dummies control for any generic time trend that is constant across countries. The model can be identified because the number of observations on which contextual variables were assessed is larger than the sum of the number of fixed effects included. Given that all invariant country characteristics were controlled and general time trends were invariant across countries, the identification of the effect of income inequality rests on within-country variability in inequality levels. We refer to this model as the within-country comparison model. An important benefit of this approach is that it eliminated the problem of between-country heterogeneity. For instance, countries may differ in terms of social desirability: in some societies people may be more reluctant or more embarrassed to express desire for status to the interviewer. We do not have to worry about such differences between countries in the within-country, over-time analysis. While the country and year fixed effects analysis could be

seen as a stronger test of causality, the disadvantage of this approach is that it suppresses differences between countries (the level effects). Thus, in this type of analysis we are exclusively looking at changes in the variables of interest within countries, without considering the original levels. This is potentially problematic as the level of income inequality might be related to the level of status-seeking even if both do not change much over time.

$$y_{ijt} = \alpha + \beta \cdot ISEI_{ijt} + \gamma \cdot GINI_{jt} + \eta \cdot GINI_{jt}^2 + \lambda \cdot GDP_{jt} + \delta \cdot GINI_{jt} \cdot ISEI_{ijt} + \theta \cdot GINI_{jt}^2 \cdot ISEI_{ijt} + \varphi \cdot CD_j + \tau \cdot YD_t + \zeta_{jt} + \varepsilon_{ijt} \quad (2)$$

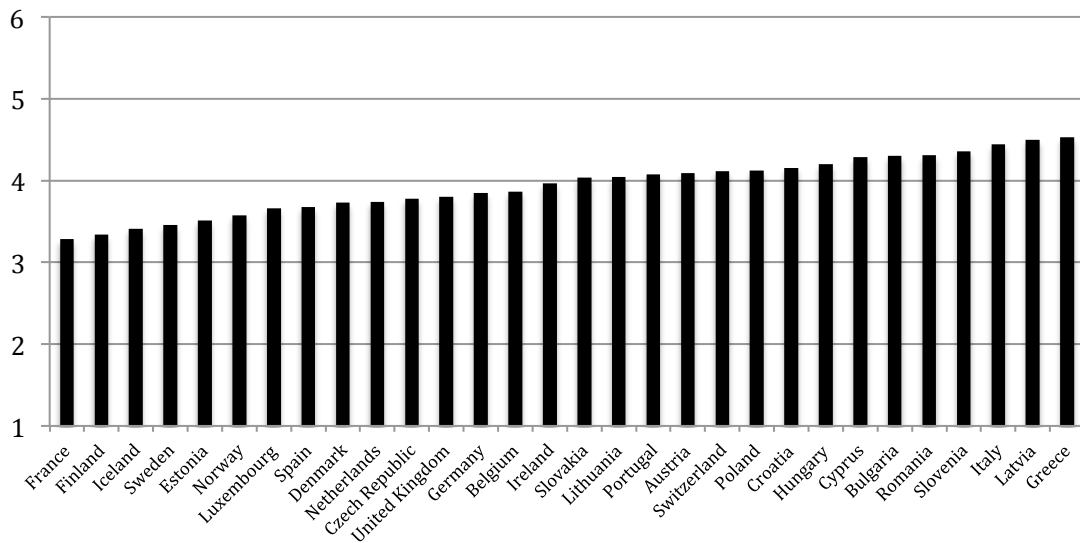
As a robustness check, we also present models using an alternative measure of income inequality – the quintile share ratio as P80/P20. In the formulas above, GINI would need to be replaced with P80/P20 as an explanatory variable.

## 5. Results

### 5.1. Status-seeking in Europe: descriptive statistics

First, we examined status-seeking in terms of aggregate differences between countries. Note that each bar in Figure 1 represents an average score of the five time points collected biannually between 2002 and 2012. The scale of status-seeking ranges from 1 to 6, with lower scores suggesting that people do not find status very important and higher scores reflecting that people care about their social position in the eyes of others. It appears that countries differ in the extent to which the population, on average, finds social status important. The average scores range from 3.28 for France to 4.53 for Greece. Broadly speaking, Southern European and some Eastern-European countries stand out with higher levels of desire for status and the Nordic countries with lower levels. While various explanations could account for cross-country differences in how much people care about status-seeking (e.g., culture, religion, social desirability), the aim of this paper is to study the relationship between status-seeking and income inequality.

**Figure 1.** Status-seeking in Europe, mean scores per country, 2002-2012.



## 5.2. The relationship between income inequality and status-seeking

Table 2 present results that were attained using two different modeling techniques: cross-classified multilevel models and within-country comparison models. The cross-classified models (Model 1 and Model 3) consistently show that income inequality is positively associated with status-seeking, suggesting that in more unequal contexts people are more eager to attain social status in the eyes of others. Furthermore, this holds both when income inequality is measured as a Gini coefficient and when it is measured as a quintile share ratio (P80/P20). This adds to the confidence that the finding is not driven by one particular income inequality measure. However, the inequality effect is non-linear. This is indicated by the significant and negative quadratic terms for income inequality measures, which suggest that the relationship between inequality and status-seeking can be characterized with an inverted U-shape. In other words, status-seeking does not grow monotonically across the scale of income inequality, instead, the relationship is curvilinear. Status-seeking appears to be higher in countries up to certain level of income inequality but in most unequal countries status-seeking drops to a lower level again. These findings hold up net of the level of wealth in the country (captured by GDP per capita) and population composition (captured by the individual level control variables). Additional robustness checks showed that these findings are also consistent when

controlling for alternative societal level variables: social expenditure (as % of GDP), poverty rate, and unemployment rate.<sup>3</sup>

Furthermore, we also tested for heterogeneity in the relationship between income inequality and status-seeking among different social status groups. The negative and significant cross-level interaction term between income inequality and ISEI score indicates that the inequality effect is stronger for lower status groups. This holds with both Gini and P80/P20 as measures of inequality (Model 3 and Model 4). The interaction effect is more clearly observed by plotting income inequality against status-seeking (see Figure 2). We make a distinction between three social status groups: low status (the lowest 25% on ISEI), middle status (middle 50% on ISEI), and high status (highest 25% ISEI) group. The figure illustrates that the inverted U-shape curve holds most clearly for the low status group. Individuals in a lower socio-economic standing are more status-seeking in countries with a moderate level of income inequality and less status-seeking in most equal and in most unequal countries.

Until now the findings discussed reflect the cross-classified multilevel models, which rely both on the within and between country variation. However, due to small changes over time, the findings are strongly influenced by differences between countries. As a stricter test of the relationship, we also ran the analysis with fixed country and fixed year effects – the within country comparison models. These models rely on variation within countries over time. In the within-country analysis we do not find a significant association between income inequality and status-seeking (Model 5 to Model 7). The coefficients from these more strict models are very similar to what we found with the cross-classified multi-level models, however, they do not reach the level of significance. What we do find – in lines with previous models – is a significant negative cross-level interaction effect between inequality and socio-economic position (Model 6 and Model 8). Hence, it also holds in a within country context that the inequality effect is stronger for lower social status groups.



	[0.005]	[0.005]	[0.005]	[0.005]	[0.005]	[0.005]	[0.005]	[0.005]
Religiousness	0.011***	0.011***	0.010***	0.010***	0.011***	0.011***	0.011***	0.011***
	[0.001]	[0.001]	[0.001]	[0.001]	[0.001]	[0.001]	[0.001]	[0.001]
Unemployed	-0.090***	-0.091***	-0.090***	-0.091***	-0.092***	-0.093***	-0.092***	-0.093***
	[0.009]	[0.009]	[0.009]	[0.009]	[0.009]	[0.009]	[0.009]	[0.009]
Ethnic minority	0.159***	0.158***	0.161***	0.160***	0.156***	0.155***	0.158***	0.157***
	[0.011]	[0.011]	[0.011]	[0.011]	[0.011]	[0.011]	[0.011]	[0.011]
Age	-0.014***	-0.014***	-0.014***	-0.014***	-0.014***	-0.014***	-0.014***	-0.014***
	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]
Constant	3.267***	1.897***	4.073***	3.531***	3.260***	1.890*	4.045***	3.503***
	[0.258]	[0.350]	[0.131]	[0.156]	[0.712]	[0.750]	[0.281]	[0.293]
Log-likelihood	-219787	-219762	-222907	-222883	-219317	-219293	-222420	-222397
AIC	439599	439555	445839	445797	438726	438681	444933	444890
BIC	439729	439704	445969	445946	439185	439160	445392	445369
N observations	157001	157001	159268	159268	157001	157001	159268	159268
N countries	30	30	30	30	30	30	30	30
Country effect	Random	Random	Random	Random	Fixed	Fixed	Fixed	Fixed
Year effect	Random	Random	Random	Random	Fixed	Fixed	Fixed	Fixed

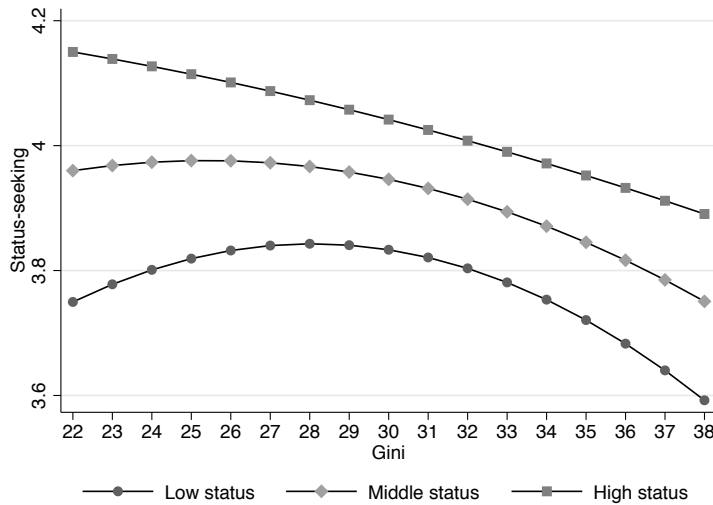
Notes:

Standard errors in parentheses

\* p<0.05, \*\* p<0.01, \*\*\* p<0.001



**Figure 2.** The relationship between income inequality and status-seeking among different social status groups.



## 6. Discussion

Interest in the role of income inequality in a range of different social processes has strengthened considerably in recent years, with a central question being whether income inequality has widespread consequences on societal outcomes. One of the debates is whether income inequality has psycho-social consequences: do people become more aware of status differences and does inequality lead to more status-seeking and status concerns? This paper complements the existing literature by analyzing the relationship between income inequality and status-seeking. We investigated status-seeking as desire for elevated social position in terms of respect, admiration and recognition in the eyes of others. We employed a methodologically unique approach by considering both the between- and within-country variance in income inequality and status-seeking. To our knowledge, we are the first to examine status-seeking from an international comparative perspective.

Based on our findings we have partial confirmation to the idea that in more unequal countries people are more status-seeking. However, this inequality effect appears to be non-linear – status-seeking appears to drop again when inequality reaches very high levels. Although we need to be cautious with these conclusions since the relationship did not appear to be significant in the within country analysis. The evidence is more robust regarding the finding that the

relationship between income inequality and status-seeking is stronger for lower socio-economic groups. Thus, when inequality increases, lower-status individuals in particular feel more desire for social status. However, when inequality gets very high, status-seeking drops especially for lower socio-economic groups.

The fact that the relationship between inequality and status-seeking seems to be better characterized by an inverted U-shape, leads us to reconsider the idea that there is a linear relationship between inequality and desire for status. According to Robert Merton (1968), income inequality restricts legitimate opportunities to achieve success and attain social status, as the social rules of competition are biased towards the wealthy. Merton argues that people who have fewer resources in an unequal context need to exercise greater efforts to attain status. This might explain why income inequality is related to heightened desire for status among the lower status groups in particular. According to Veblen (1931), people have the tendency to compare themselves to those higher in the hierarchy – the most advantaged individuals in a society set the standards for the rest. However – as the evidence from this paper suggests – in most unequal contexts desire for social status drops down to a lower level again. How to explain this? One interpretation could be that when inequality becomes very high people might feel that they are too far behind in the race for social status that they are better-off adjusting their preferences by striving for less social status. Furthermore, linking back to the work of Anderson and colleagues (2012), people might also adjust desire for status to their self-perceived value to the society. Moderate level of income inequality might create more concern about one's socio-economic position by creating a feeling that one could go either up or down in the social hierarchy.

In future research, it would be important to study whether heightened status-seeking, especially among lower status groups, has positive or negative implications. We propose two possible scenarios. First, that increased desire for status could give low status groups extra motivation to work hard in order to achieve success and attain recognition in an unequal society. Or, conversely, that low-status groups might experience extra anxiety and stress because their actual

social position does not correspond to their expectations about status and social esteem.

Finally, some notes about the limitations of this study and some more avenues for future research. While we relied on the literature according to which inequality promotes status-seeking, it is important to realize that reversed causality is also possible. Though we are unable to test it, we can reason that the fact that we find the effect to be stronger for lower status status groups also suggests that inequality affects attitudes rather than the other way around – as in principle all groups have equal (voting) power to influence policies that affect inequality. Second, there could be more unobserved determinants that coincide with inequality and status-seeking. As a robustness check, we took a number of additional conditions into account and in addition we also conducted within-country analysis, which can be seen as the most strict test of the relationship. In the future it would be worthwhile to test our hypothesis over a longer time period to see whether the main effect of inequality will emerge in the within-country context. The consequences of status-seeking, especially in societies providing limited means to reach status goals, will be crucial to further investigations to uncover whether heightened status-seeking leads to adverse health consequences and delinquent behavior or whether it has some positive outcomes in terms of making people more motivated to work and express their value to the society.

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## Notes

<sup>1</sup> Whereas Chan and Goldthorpe (2007) (following Weber 1968 [1922]) refer to social status in terms of ‘social honor’ attached to certain positional or ascribed attributes (e.g., occupational position, style of life in terms of cultural consumption, and so forth), Jasso (2001), for instance, refers to social status also in terms of personal qualities and perceived worth.

<sup>2</sup> The questions were asked in the form of Portrait Values Questionnaire (PVQ). This is designed to reduce the cognitive complexity of the items by introducing respondents to short verbal portraits of different people: the person’s goals, aspirations, or wishes that point implicitly to the importance of a single value (Schwartz, 1992). For each portrait, respondents were asked: ‘How much like you is this person?’

<sup>3</sup> Findings are not presented here but are available upon request from authors.