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Giving Up on the Joneses? The Relationship between Income Inequality and Status-seeking

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Abstract

The objective of this article is to study status-seeking, defined as pursuit for elevated social status, and how it relates to income inequality. Building on sociological, psychological, and economic literature, we formulate two opposing hypotheses suggesting a positive and a negative relationship between income inequality and status-seeking. To test these hypotheses, we use repeated cross-sectional micro-data from the European Social Survey, which was collected biannually from 2002 to 2014, and use it in combination with income inequality data from Eurostat. With this data we 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 negative relationship between income inequality and status-seeking. This supports the hypothesis that with higher levels of economic inequality people have less incentives and less motivation to strive for heightened social status.

Social Status and Status-seeking

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 a fundamental human motive (Anderson, Hildreth, and Howland, 2015). People care about status because it is typically associated with various material and nonmaterial benefits, e.g. greater autonomy and control (Berger, Rosenholtz, and Zelditch, 1980), more material resources (Savin-Williams, 1979), higher self-esteem (Weber, 1968 [1922]), and more esteem and respect in the eyes of others (Sherif, White, and Harvey, 1955; Ridgeway, 2014). An important feature of social status is that it is culturally constructed and based on widely shared evaluations of where different 'types' of people should stand in the social hierarchy as well as who deserves to be more esteemed, respected, and recognized

(Berger, Cohen, and Zelditch, 1972). While social status is different than socio-economic position or social class due to the social 'honour' it entails (Weber, 1968 [1922]; Jasso, 2001; Chan and Goldthorpe, 2007), the two are strongly related (Ridgeway, 2014). One's social status is determined by how her achieved and ascribed attributes are evaluated by others (Coleman, 1990; Weiss and Fershtman, 1998).

Status has been an important concept in classic sociological literature. Max Weber (1968 [1922]) introduced status as one of the three core dimensions of inequality next to resources and power. While resources and power have been extensively studied in sociological research, status has remained in the background. According to Ridgeway (2014: 13), people care about status as much as they care about money, and status is an important element of social inequality; hence, 'it is time we took

status more seriously'. Recently interest in status and status-seeking has emerged, though it is often considered indirectly as an explanatory or intermediary variable. Economists interpret (conspicuous) consumption and saving behaviour in terms of people's desire for status (Corneo and Jeanne, 1998; Frank, 1999; Heffetz and Frank, 2008; Jin, Li, and Wu, 2011); sociologists and epidemiologists have been particularly focused on the role of status anxiety for health (Marmot, 2004; Wilkinson and Pickett, 2010; Layte and Whelan, 2014); and social psychologists have been arguing that desire for status motivates prosocial behaviour (Willer, 2009; Anderson *et al.*, 2015).

In this article, we follow the footsteps of social psychologists and study status-seeking in terms of heightened desire for admiration, recognition, and respect in the eyes of others (Flynn *et al.*, 2006; Willer *et al.*, 2013). We contribute to the literature by focusing on status-seeking as an outcome variable and by looking at status-seeking from a cross-cultural perspective, thereby complementing previous studies investigating status-seeking in laboratory settings (Anderson *et al.*, 2015). Research has shown that status-seeking varies across individuals, and while the physiological and genetic component might play a role—various social and contextual aspects are also associated to desire for status (Fiske, 2011; Anderson *et al.*, 2012).[1] In this article, we are particularly interested in the relationship between income inequality and status-seeking.

Income Inequality and Status-seeking

Income inequality refers to disparities in incomes between individuals in a particular context (Clark and D'Ambrosio, 2015). In the backdrop of rising income inequalities that many welfare states have witnessed since the 1980s but also the stark differences in income inequality between countries (OECD, 2011), a widespread debate on the consequences of inequality has emerged (Neckerman and Torche, 2007; Van de Werfhorst and Salverda, 2012). One rather influential idea is that income inequality intensifies social hierarchies, causing people to become increasingly aware of their relative position in the status hierarchy (Wilkinson and Pickett, 2010; Clark and D'Ambrosio, 2015). Next, we discuss theoretical mechanisms proposed in sociology, psychology, and economics that yield opposing hypotheses regarding the relationship between income inequality and status-seeking.

Keeping up with the Joneses

According to the functional theory of social stratification but also classic economic theories, income inequality is supposed to guarantee a sufficient supply of motivated people who would exert effort and work hard in return for resources and reputation (Davis and Moore, 1945). When the differences in financial and non-financial resources between high- and low-status groups are wider, advanced economic and social ranking becomes more attractive—there is more to gain in terms of money and status from moving up in the hierarchy (Jin *et al.*, 2011). Since individuals' choices to exert effort are strongly motivated by economic and social rewards, in unequal contexts people may be more status-seeking, work harder, and invest more in their human capital (Parsons, 1970; Weiss and Fershtman, 1998). These investments are, in turn, expected to have positive societal consequences by increasing economic efficiency and growth rates (Weiss and Fershtman, 1998).

Next to the functionalist perspective, there is also a more psychosocial explanation as to why people might be more status-seeking in unequal contexts. According to Ridgeway (2014), status is based on cultural beliefs about who is 'better', and these beliefs are strongly grounded in the economic resources social groups command. Given that income inequality can be 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 inequality (Wilkinson and Pickett, 2010; Delhey and Dragolov, 2014; Layte and Whelan, 2014). There is by now a substantial body of evidence, including from neuroscience, showing that individuals compare their incomes and status with others and that doing worse than others is more important for well-being than doing equally or better than others (for a literature review, see Clark and D'Ambrosio, 2015). Similarly, 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. This, from Veblen's perspective, leads to the so-called 'Keeping up with the Joneses' phenomenon—people compare themselves with others as a benchmark of wealth and social status. In fact, Veblen proposes that if the Joneses' are richer than a neighbour, they do not care about that neighbour's consumption; rather, they are attempting to keep up with an even more advantaged reference group. There is behavioural evidence showing that income inequality and relative income are indeed associated with heightened consumption of

positional goods, reflected in Internet searches for status goods (e.g. designer brands, expensive jewellery, and luxury clothing; Walasek and Brown, 2015), level of indebtedness (Carr and Jayadev, 2015) but also longer work hours (Bowles and Park, 2005).

We can thus predict that the larger the gap between income groups in a society, the greater the need to keep up with the strive for status. This leads to the following hypothesis:

Hypothesis 1: Income inequality is positively associated with status-seeking.

Giving up on the Joneses

Alternatively, income inequality can be expected to diminish status-seeking to the extent that it makes it unfeasible or more difficult for people to move up in the socioeconomic and status ranks (Corneo and Jeanne, 2001). It is argued in the sociological and economic literature that inequality might restrict legitimate opportunities to achieve success and attain social status as the rules of competition are biased towards the wealthy (Merton, 1968; Atkinson, 2015). There is also some preliminary empirical evidence that social mobility is lower in unequal contexts (Corak, 2013). In the face of blocked opportunities, lower-socioeconomic groups might give up in the strive for resources and status, either because they do not believe they can move upwards due to low social mobility or because the marginal utility of exerting effort and gaining one additional unit of income or status is lower than it would be in more equal contexts—it takes more to catch up with the socio-economic ranking of those higher up (Corneo and Jeanne, 1998; Jin *et al.*, 2011). In turn, this would weaken the incentives for the relatively rich to defend their social status. Overall, inequality might weaken incentives to strive for social status. In equal contexts, by contrast, it is easier for everyone to ascend the socio-economic hierarchy and thereby improve one's social status. Hence, this might lead to heightened strive for social status in more egalitarian contexts (Corneo and Jeanne, 2001).

Inequality might also weaken status-seeking motives by making social comparisons limited to a narrower reference group. According to Corneo and Jeanne (1998), strong social segmentation means that the competition for social status tends to be restricted to individuals belonging to the same income or social class, while in equal societies people with different socio-economic backgrounds are more likely to participate in the same social interaction groups and compete for the same set of social rewards. Similarly, according to Merton 'some

similarity in status attributes between the individual and the reference group must be perceived or imagined, in order for the comparison to occur at all' (Merton, 1968: 296). Larger inequalities may then in fact limit comparing oneself with groups at a greater distance in the social hierarchy. Drawing on Putnam's (2007) 'hunkering down' hypothesis,[2] it is possible that larger heterogeneity in living standards make people more strongly oriented towards their own (or nearer) social group, instead of groups at a larger distance in terms of resources or lifestyles. In unequal contexts, disadvantage might get concentrated among the same social groups across many domains. Hence, the dominance of in-group (rather than out-group) comparisons may be further reinforced by rising income inequalities as 'multiple reference groups' (Merton, 1968: 293) are less likely to occur. While the keeping up with the Joneses argument presupposes that people compare themselves along the whole continuum, actual reference groups in unequal contexts might be much narrower.

Finally, psychological literature emphasizes that desire for status depends on people's perceived instrumental value to the group (Anderson *et al.*, 2012). From this perspective, high status-seeking would refer to a self-image of being of instrumental value to the group while low status-seeking would imply people having adjusted their desire for status in response to their low perceived worth and low perceived value. Also according to sociological literature, perceptions of own competence and self-worth are strongly linked to one's standing in the socio-economic hierarchy (Ridgeway, 2014). In unequal contexts people are further away from one another in terms of economic position and hence more people might feel that their instrumental value to the society is lower. This is in accordance with the literature suggesting that unequal contexts promote feelings of status inferiority and status anxiety (Marmot, 2004; Wilkinson and Pickett, 2010; Layte and Whelan, 2014).

Based on these theoretical arguments, we can expect that instead of increasing the desire to keep up with the Joneses, unequal contexts might make individuals give up on the Joneses. This leads to the following hypothesis:

Hypothesis 2: Income inequality is negatively associated with status-seeking.

Methodology

Micro-data and Variables

The individual-level data come from the European Social Survey (ESS)—a high-quality comparative survey

employing a random probability sampling of private households, and the data are collected in face-to-face interviews. We combined all waves of ESS currently available, resulting in a data set containing biannual surveys collected between 2002 and 2014. The sample consists of 28 countries in the European region. We restricted the sample to the population of those in the age of 18–65 years, as we were interested in status-seeking among working-age people who are still likely to alter their status, after retirement desire for status may take a different form (e.g. rely more on health, social networks, or volunteering). We have a total of 214,645 individuals nested in country-years. The number of observations varies between models depending on availability of data and missing values.

To measure status-seeking, we use variables from the ESS Human Values Scale—a part of the survey designed to classify respondents according to their basic value orientations (Schwartz, 1992). Survey participants were presented with a list of different personality portraits and asked the following: 'How much like you is this person?'[3] We focus on three of the responding items to capture status-seeking:

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

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 reliable scale with a Cronbach's alpha of 0.71. 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 is that all of the items capture a social-evaluative component, indicating people's desire to be recognized by others. Other studies have used comparable measures of status-seeking and have shown that desire for social status predicts status-seeking behaviour (Flynn *et al.*, 2006; Willer *et al.*, 2013). Table 1 presents the descriptive information of all variables used in the analysis.

We incorporate a range of individual-level explanatory variables. We define social class via the European Socio-economic Classification (ESeC) that is based on a concept of employment relations, and is specifically designed to facilitate comparison across countries (Rose and Harrison, 2010). We use a five-category hierarchical class schema: Class 1: managers and professionals; Class 2: intermediate and lower supervisory; Class 3: small employers and own account workers; Class 4: white-collar working class; and Class 5: blue-collar working class. ESeC social class measure is assumed to capture current income, economic security, and prospects of economic advancement through a life course (Rose and Harrison, 2010). An alternative would be to use income as an indicator of socio-economic position, but the proportion of missing values for the household income variable in the ESS reaches 27 per cent. The advantage of ESeC is that it reflects the socio-economic position of each individual, and the proportion of missing cases is much lower (9 per cent).

We also controlled for the following socio-demographic factors that could influence status-seeking, and they help us account for the possibility that the composition of the population might differ between countries and waves: age, age squared, religiousness (measured on a 10-point scale), a dummy variable for belonging to an ethnic minority group in a country, and a dummy variable for being unemployed.

Contextual Data and Variables

The macro-level data are attained from Eurostat, which is a leading provider of high-quality statistics in Europe. We matched each ESS survey round with macro-data from Eurostat accordingly. When macro-indicators were not available for the year appropriate, we took an observation 1 year before or after the survey.

Our central explanatory variable is income inequality measured as a Gini coefficient. 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 equivalized 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. As a robustness check, 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 inequality of income distribution that is calculated as the ratio of total income received by the 20 per cent of the population with the highest income (the top quintile) to that received by the 20 per cent of the population with the lowest income (the bottom quintile). Our approach assumes that it is income inequality at the national level that is associated with status-seeking, while it is possible

Table 1. Descriptive statistics of variables used in the analysis

Variable	N	Mean	SD	Minimum	Maximum
Status-seeking	185,559	3.8	1.1	1	6
Income inequality: Gini	185,559	29.0	3.9	22	37.8
Income inequality: P80/P20	168,542	4.6	1.1	3	7.3
Social expenditure	166,981	25.0	5.2	12.1	34.6
Poverty rate	148,113	22.9	7.6	12.7	61.3
Unemployment rate	179,558	8.7	4.4	2.5	26.5
GDP per capita (logged)	185,559	10.0	0.6	8.0	11.2
Social class: ESeC	185,559	3.2	1.2	1	5
Male	185,559	0.5	0.5	0	1
Religiousness	185,559	4.4	3.0	0	10
Unemployed	185,559	0.1	0.3	0	1
Ethnic minority	185,559	0.1	0.2	0	1
Age	185,559	43.2	12.9	18	65

that inequality manifests itself also at lower levels of aggregation.

To account for between-country heterogeneity in various socio-economic conditions, we also control for confounders that capture living standards and the level of welfare in a particular country: gross domestic product (GDP) per capita (logged), unemployment rate, social expenditure, and poverty rate (as 60 per cent of the median).

Estimation Strategy

The data set consists of individuals who were interviewed in different countries in Europe at different points in time; hence, this is not a panel of individuals but panel of countries with different samples of individuals observed over time. We estimated three types of multilevel models to study the relationship between income inequality and status-seeking, taking into account recent recommendations in how to accurately treat such data (Mills and Präg, 2016; Schmidt-Catran and Fairbrother, 2016).

First, we estimated 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 individuals' socio-economic status measured via social class (ESeC), income inequality (GINI), and GDP per capita (GDP). 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 (ζ_j for between-country variance and ξ_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 unnested 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).

$$y_{ijt} = \alpha + \beta \cdot ESeC_{ijt} + \gamma \cdot \text{Gini} + \lambda \cdot GDP_{jt} + \zeta_j + \xi_t + \epsilon_{ijt} \tag{1}$$

As a robustness check, we present the so-called cross-classified full models with random effects for countries (j), years (t), and country-years (k), as shown in equation 2. This model should control for any possible statistical dependence, but it could potentially also be over-conservative (Schmidt-Catran and Fairbrother, 2016).

$$y_{ijtk} = \alpha + \beta \cdot ESeC_{ijtk} + \gamma \cdot GINI_{jtk} + \lambda \cdot GDP_{jtk} + \zeta_j + \xi_t + u_k + \epsilon_{ijtk} \tag{2}$$

The third type of model, given in equation 3, delivers a stronger test of an inequality effect, as it includes both an inequality measure at the aggregate (country-year) level and fixed effects (FE) for country (country dummies, CD) and survey year (year dummies, YD). The CD and YD correct for the non-independence of observations within countries and years (Brady and Finnigan, 2014). 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 YD 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
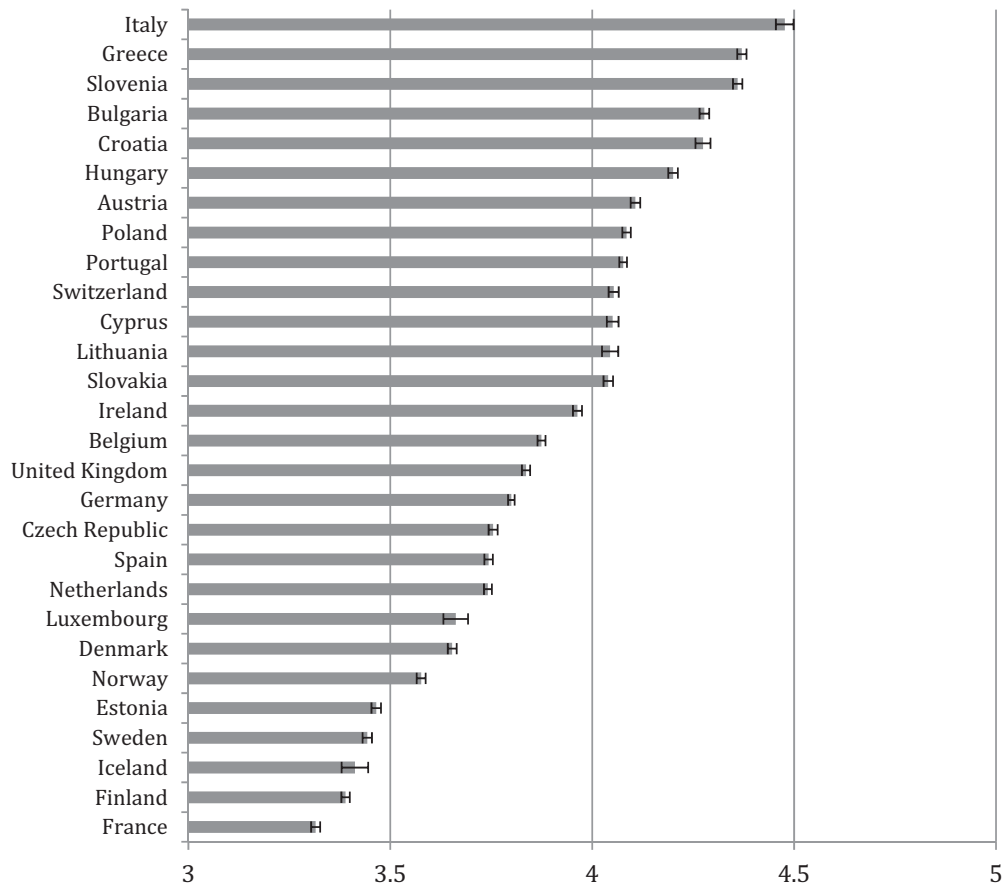
Figure 1. Status-seeking in European countries, mean scores on a scale 1–6 with confidence intervals per country

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 eliminates the problem of between-country heterogeneity. In this type of analysis, we are exclusively looking at changes in the variables of interest within countries.

$$y_{ik} = \alpha + \beta \cdot ESeC_{ijt} + \gamma \cdot GINI_{jt} + \lambda \cdot GDP_{jt} + \phi \cdot CD_j$$
$$+ \tau \cdot YD_t + \zeta_k + \epsilon_{ik}$$

$$(3)$$

Results

Status-seeking in Europe: Descriptive Statistics

First, we examine status-seeking in terms of aggregate differences between countries. Each bar in Figure 1

represents an average score of the seven time points collected biannually between 2002 and 2014. The scale of status-seeking ranges from 1 to 6, with lower scores suggesting that people are not very status-seeking and higher scores reflecting that people desire social status 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 3.32 for France to 4.48 for Italy. 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 social status—including socio-economic population composition, culture, language, or religion—the aim of this article is to focus on the relationship between status-seeking and income inequality.
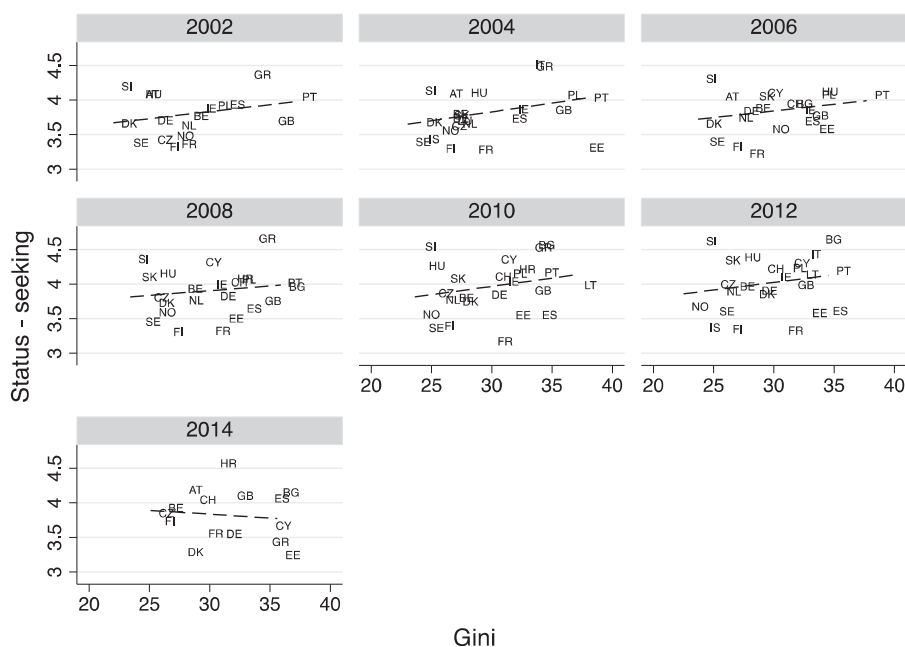
Figure 2. The aggregate relationship between income inequality and status-seeking (mean score) at different time points

[Figure 2](#) presents a bivariate association between status-seeking and income inequality measured as the Gini coefficient. The figure depicts a positive relationship between income inequality and status-seeking for 2002–2012, while the relationship appears to be negative in the last year of observation in 2014. The sample of countries varies between the years, and this partly explains why the relationship differs between time points. Portugal and Greece score highly both on status-seeking and income inequality, largely driving the positive association in 2002–2012. To account for a range of individual- and macro-level variables in determining status-seeking, we now move beyond bivariate associations.

Explaining Variation in Status-seeking
[Table 2](#) presents results that were attained using two different modelling techniques: cross-classified models ([equation 1](#), Models 1–4), cross-classified full models ([equation 2](#), Models 5–8), and within-country comparison models ([equation 3](#), Models 9–12). We discuss the role of individual and contextual factors for status-seeking.[4]

Individual-level factors
When it comes to individual-level characteristics, people vary in the extent to which they are status-seeking. Status-seeking is higher among men, those in higher

social class, religious people, middle-aged individuals, and ethnic minorities, while the unemployed and older people appear to be less status-seeking. This is in line with [Ridgeway (2014)](#) who argues that weaker social group—women, lower social classes, and the unemployed—is likely to adopt to a self-image of being less competent and less worthy of status and thereby adjust their preferences and strive for less status. Similarly, religious people and those at the peak of their working age might evaluate themselves as having more instrumental value and therefore aspire more status ([Anderson et al., 2012](#)). The fact that ethnic minorities appear to be more status-seeking might be counterintuitive; however, [Salikutluk (2016)](#) argues that ethnic minorities can have higher aspirations that the native population due to immigrant optimism argument (i.e. immigrants are a positively selected group with extra strong upward mobility ambition), a compensation mechanism from discrimination or lack of adequate information.

Societal-level factors
Next to individual-level factors, status-seeking is associated with country-level characteristics. In the first set of analyses, Model 1 shows a negative and statistically significant coefficient for income inequality (measured as the Gini coefficient), suggesting that in unequal societies, people are on an average *less* status-seeking, and in more equal societies desire for status <u>is</u> higher. This

Table 2. Predicting status-seeking with different modeling techniques

	Cross-classified				Cross-classified: full model				Within-country analysis			
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Income inequality: Gini	−0.021*** (0.002)	−0.011*** (0.002)	−0.026*** (0.002)	−0.023*** (0.002)	−0.013 (0.008)	−0.002 (0.006)	−0.013 (0.010)	−0.006 (0.008)	−0.021** (0.008)	−0.010+ (0.005)	−0.023* (0.010)	−0.022** (0.008)
GDP	0.359*** (0.025)				0.007 (0.078)				0.414*** (0.124)			
Social expenditure		−0.003* (0.002)				−0.006 (0.005)				−0.004 (0.005)		
Poverty rate			−0.007*** (0.001)				0.015** (0.005)				−0.010 (0.006)	
Unemployment rate				−0.013*** (0.001)				−0.010+ (0.005)				−0.014** (0.005)
Social class (reference = Class 1)												
Class 2	−0.109*** (0.009)	−0.114*** (0.009)	−0.100*** (0.010)	−0.109*** (0.009)	−0.110*** (0.009)	−0.114*** (0.009)	−0.100*** (0.010)	−0.110*** (0.009)	−0.110*** (0.009)	−0.114*** (0.009)	−0.100*** (0.010)	−0.110*** (0.009)
Class 3	−0.136*** (0.008)	−0.149*** (0.009)	−0.124*** (0.009)	−0.141*** (0.008)	−0.143*** (0.008)	−0.150*** (0.009)	−0.131*** (0.009)	−0.147*** (0.008)	−0.143*** (0.008)	−0.150*** (0.009)	−0.131*** (0.009)	−0.147*** (0.008)
Class 4	−0.290*** (0.009)	−0.299*** (0.009)	−0.280*** (0.010)	−0.295*** (0.009)	−0.297*** (0.009)	−0.301*** (0.009)	−0.286*** (0.010)	−0.301*** (0.009)	−0.297*** (0.009)	−0.301*** (0.009)	−0.286*** (0.010)	−0.301*** (0.009)
Class 5	−0.324*** (0.009)	−0.336*** (0.009)	−0.315*** (0.010)	−0.327*** (0.009)	−0.333*** (0.009)	−0.340*** (0.009)	−0.324*** (0.010)	−0.335*** (0.009)	−0.333*** (0.009)	−0.340*** (0.009)	−0.324*** (0.010)	−0.335*** (0.009)
Male	0.169*** (0.005)	0.166*** (0.005)	0.157*** (0.005)	0.167*** (0.005)	0.167*** (0.005)	0.166*** (0.005)	0.154*** (0.005)	0.165*** (0.005)	0.167*** (0.005)	0.166*** (0.005)	0.154*** (0.005)	0.165*** (0.005)
Religious	0.012*** (0.001)	0.009*** (0.001)	0.014*** (0.001)	0.012*** (0.001)	0.009*** (0.001)	0.009*** (0.001)	0.011*** (0.001)	0.009*** (0.001)	0.009*** (0.001)	0.009*** (0.001)	0.011*** (0.001)	0.009*** (0.001)
Unemployed	−0.065*** (0.009)	−0.072*** (0.009)	−0.068*** (0.009)	−0.059*** (0.009)	−0.071*** (0.009)	−0.072*** (0.009)	−0.078*** (0.009)	−0.069*** (0.009)	−0.071*** (0.009)	−0.073*** (0.009)	−0.078*** (0.009)	−0.069*** (0.009)
Ethnic minority	0.177*** (0.011)	0.162*** (0.011)	0.186*** (0.011)	0.174*** (0.011)	0.175*** (0.011)	0.161*** (0.011)	0.188*** (0.011)	0.177*** (0.011)	0.175*** (0.011)	0.161*** (0.011)	0.188*** (0.011)	0.177*** (0.011)
Age	−0.030*** (0.001)	−0.031*** (0.001)	−0.030*** (0.001)	−0.030*** (0.001)	−0.031*** (0.001)	−0.031*** (0.001)	−0.031*** (0.001)	−0.032*** (0.001)	−0.031*** (0.001)	−0.031*** (0.001)	−0.031*** (0.001)	−0.032*** (0.001)
Age squared	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)
Country FE	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes
Year FE	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes

(continued)

Table 2. (Continued)

	Cross-classified				Cross-classified: full model				Within-country analysis			
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
N observations	185,559	168,573	148,968	180,413	185,559	168,573	148,968	180,413	185,559	168,573	148,968	180,413
N countries	28	29	29	28	28	29	29	28	28	29	29	28
N country-years	148	135	120	144	148	135	120	144	148	135	120	144
Log-likelihood	−260,527	−235,486	−208,736	−253,156	−259,011	−235,019	−207,311	−251,630	−258,937	−234,934	−207,247	−251,557
Variance components:												
Country	0.292***	0.155***	0.249***	0.201***	0.117***	0.128***	0.080***	0.139***				
	(0.080)	(0.041)	(0.067)	(0.054)	(0.044)	(0.037)	(0.027)	(0.044)				
Year	0.003***	0.007***	0.004***	0.007***	0.004***	0.008***	0.003***	0.006***				
	(0.002)	(0.004)	(0.002)	(0.004)	(0.003)	(0.005)	(0.003)	(0.004)				
Country-year					0.026***	0.010***	0.032***	0.026***	0.135***	0.084***	0.141***	0.137***
					(0.004)	(0.002)	(0.005)	(0.004)	(0.008)	(0.006)	(0.009)	(0.008)
Individuals	0.969***	0.956***	0.964***	0.968***	0.952***	0.949***	0.944***	0.950***	0.976***	0.974***	0.971***	0.974***
	(0.003)	(0.003)	(0.004)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.002)	(0.002)	(0.002)	(0.002)

Notes. Standard errors in parentheses. $+P < 0.1$, $*P < 0.05$, $**P < 0.01$, $***P < 0.001$.

finding holds net of the level of economic prosperity in the country, which is captured by GDP per capita. To test whether the relationship between income inequality and status-seeking is independent of other potentially confounding time-varying societal conditions, we run models with additional contextual control variables. The negative relationship between income inequality and status-seeking persists when controlling for social expenditure (Model 2), poverty rate (Model 3), and unemployment rate (Model 4).

As a second set of analyses, we ran a more restricted version of cross-classified models—full models that account for all statistical dependence. As can be seen from Model 5 to Model 8, while coefficients remain negative, the Gini effect loses significance. Either there is on average no relationship between income inequality and status-seeking or these models might be too conservative (Schmidt-Catran and Fairbrother, 2016).

As a third test of the relationship between income inequality and status-seeking, we ran the analysis with fixed country and fixed year effects (see Model 9–Model 12). These models rely on variation within countries over time; hence, any stable unobserved characteristics of countries are eliminated. The YD control for any generic time trend that is constant across countries. We find a negative relationship between income inequality and status-seeking—when inequality in a country increases, average level of status-seeking decreases. This holds when controlling for additional contextual variables, suggesting that within countries over time, income inequality is negatively associated with status-seeking.

As a robustness check, we replicate all the models presented in Table 2 with an alternative measure of income inequality: a quintile share ratio (i.e. P80/P20). As shown in Supplementary Appendix A, when replacing Gini coefficient with quintile share ratio, the main conclusion remains the same as reported above. This adds to the confidence that our findings are not driven by one particular income inequality measure.

Regarding other contextual variables, we conclude based on Table 2 that when societies become wealthier in terms of GDP per capita, desire for social status goes up. Furthermore, different models consistently show that unemployment rate is associated with less status-seeking. According to Anderson and colleagues (2015), unemployment might be seen as a drop in status; hence, in societies with high unemployment people might be less status-seeking. Regarding social expenditure and poverty rate, the findings from different models are inconsistent and do not allow us to draw conclusions.

Overall, the findings show that disadvantaged social conditions—lower social class, lower economic prosperity

in a country, high unemployment rate, and higher level of income inequality—are all associated with less status-seeking. More prosperous circumstances, either on the individual or macro-level, are associated with more status-seeking.

Discussion

Status-seeking—defined as desire for esteem and recognition in the eyes of others—is a powerful motive that drives much of human social behaviour. While a central concept in sociology, compared to socio-economic position or social class, status is rarely empirically studied. The aim of this article was to study how status-seeking varies across social groups and contexts. We were particularly interested in the role of income inequality. 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.

The analysis of this article shows that status-seeking is positively associated with advantaged social conditions. Men, higher social classes, employed people, those at the peak of their working age desire more social status. Desire for status could be a trigger for attaining higher position or people could infer their desire for status from their achieved and ascribed socio-economic position (Ridgeway, 2014; Anderson *et al.*, 2015). However, we also showed that ethnic minorities are on average more status-seeking than the native population. Potential explanations for this are provided by Salikutluk (2016): immigrants are a positively selected group of people highly determined to experience social mobility, it could also be a compensatory reaction to deal with blocked opportunities, or simply having unrealistic expectations due to lack of information. This illustrates that under certain conditions, disadvantaged social groups could be more status-seeking than the more advantaged population.

Regarding societal conditions, our findings give some support to the hypothesis that there is a negative relationship between income inequality and status-seeking. This holds most clearly in the within-country analysis. One interpretation could be that when income inequality increases, people might feel that they are too far behind in the race for status so that they are better-off giving up or adjusting their preferences by striving for less social status (Corneo and Jeanne, 1998; Corneo and Jeanne, 2001). Hence, instead of keeping up with the Joneses, people might give up on the Joneses. Another explanation could be that in unequal contexts,

comparisons might be restricted to the in-group (i.e. own social class or income class), while in equal contexts, people might be more likely to compare themselves to wider reference groups along the whole income distribution. The latter might foster people to strive for more status in equal contexts and less so in unequal contexts. Furthermore, as incomes are more dispersed, there might be more people that interpret this as being of lower instrumental value to the society—lower self-perceived value might lead to less desire for status (Anderson *et al.*, 2012; Ridgeway, 2014).

The conclusion of this article—that income inequality is associated with less status-seeking—is presenting a puzzle in light of recent evidence suggesting that income inequality is related with heightened consumption of positional goods, which can further be interpreted as strive to increase one's social status in the eyes of others (Carr and Jayadev, 2015; Walasek and Brown, 2015). We tackled this contradiction in the Supplementary Appendix B, where we show that income inequality is negatively associated not only with our original status-seeking index but also with an item capturing strive for money and expensive things. Hence, there appears to be a contradiction in current evidence when it comes to status-seeking attitudes and status-seeking behaviour. This contradiction might simply reflect a discrepancy between what people say and how they behave. Alternatively—different measures might also be capturing different underlying dimensions of status-seeking. Solving this puzzle is beyond the scope of this article, but it will be an important direction for future research.

This article is not without limitations. With multi-level models, we move beyond aggregate analysis and account for a range of individual and contextual factors. Nevertheless, though a good amount of cross-sectional data is available allowing comparisons between countries and over time, the analysis remains limited due to a small number of observations at the contextual level (Mills and Präg, 2016; Schmidt-Catran and Fairbrother, 2016). We witnessed that the significant effect of income inequality disappeared when we applied the most conservative model specification, while the negative relationship between income inequality and status-seeking was found significant in a rather conservative within-country analysis. Our study should be replicated on different samples and once more data points are available, also controlling for additional unobserved time-varying determinants that could coincide with inequality and status-seeking. For improving the quality of research, we need comparative projects like the ESS to continue. A further limitation of this article is our inability to test causality and underlying theoretical mechanisms. We

covered literature suggesting that an unequal context would either promote or discourage status-seeking, while the relationship could potentially be reversed. More research is needed to establish whether the underlying theoretical mechanisms discussed hold.

Finally, although we observed some evidence that status-seeking is lower in inegalitarian contexts, the relationship might weaken over time or might be non-existent in other contexts. In fact, a Weberian (1968 [1922]) perspective on social status separates status from the economic resources available to social groups, so desire for social recognition may not be strongly driven by economic factors (Chan and Goldthorpe, 2007). Others have recently argued that while social status used to be closely related to socio-economic resources, in modern societies, the relationship between income and relative status has become more fragmented, pluralistic, and subjective (Cowen, 2002). If status becomes plural, there is perhaps no longer just one way to keep up with the Joneses.

Acknowledgements

Notes

1 Although in the literature status-seeking is commonly seen as a generic concept referring to desire for more esteem and recognition, some authors have made a distinction 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. In this article, we do not make this distinction, as we cannot separate the two empirically.

2 'Hunkering down hypothesis' by Robert Putnam (2007) suggests that people living in more diverse socioeconomic contexts are more likely to pull away from civic engagement, community, and social life.

3 The questions were asked in the form of Portrait Values Questionnaire. 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?'

4 The cross-classified empty model shows that approximately 10.3 per cent of the variance in status-seeking can be explained by the between- and within-country differences.

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