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Self-assessment of well-being and individual attitudes towards inequality

Самооценка благополучия и индивидуальные установки по отношению к неравенству

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Abstract

The problem of social inequality is a relevant subject of research, since in many ways all kinds of protest movements arise in the society when its different segments and groups feel and experience social injustice. The individual's disadvantaged position in the society at present and his/her willingness to change it against the inability to do it is an important indicator of social instability. However, people's perception of social injustice and inequality is different. The purpose of the present study is to explore the causes of economic inequality in Russia, as viewed by the population, as well as the attitudes to fairness of economic inequality and subjective assessment of one's own chances of material success. The paper identifies the factors that influence subjective assessment of a person's own chances. In the opinion of the population, it is non-meritocratic forms that are predominant in the Russian society. It was found that dissatisfaction with inequality is lower among the people who are poor today but contemplate to

Аннотация

Проблема социального неравенства является актуальной темой научных исследований, так как во многом различного рода протестные движения в обществе возникают, когда различные его слои и группы чувствуют и испытывают социальную несправедливость. Несоответствие нынешнего положения в обществе индивида и желание изменить его, а также неспособность это сделать является важным индикатором нестабильности в обществе. Однако, восприятие социальной несправедливости и неравенства происходит у людей по-разному. Целью данного исследования является изучение причин экономического неравенства в России по мнению населения, а также справедливость экономического неравенства и субъективная оценка собственных шансов на материальный успех. В работе выявляются факторы, от которых зависит субъективная оценка собственных шансов. По мнению населения, в российском обществе преобладают

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become rich in the future than among those who apprehend of becoming poor both now and in the future. It is shown that the individual's subjective rank in income distribution is more important for one's subjective well-being than the relative wage level.

Keywords: economic inequality, meritocratic and non-meritocratic factors of economic success, income distribution, subjective well-being.

Introduction

The interdependence between subjective well-being and wealth inequality is the focus of many scientific works. To explore the above-mentioned correlation, one typically has to obtain data regarding the subjective well-being of a subject denoted as 'I' living in a territory denoted as 'j' (the letter 'j' in many, although not all, cases, means a country) at a certain moment 't'. Researchers also take into account the array of typical demographic determinants. The above-mentioned determinants can include age, family situation, level of education, gender, the region's labour market indicators, family or personal income).

An essential parameter used in many works is the interrelation that exists between the individual's well-being and the degree of economic disparity in the territory 'j', with the consideration of the total array of variables in the well-being vector. This indicator shows how, under otherwise equal conditions, people assess their well-being in territories with different degrees of economic disparity. It is suggested that the "inequality value" results from the actual correlation between the economic segregation people see in their lives and their subjective well-being. To evaluate the latter, researchers typically use questions regarding a person's degree of satisfaction with his/her earnings and life in general, as well as other indicators of mental well-being.

Such an approach is proposed, for example, by Park et al., (2017). Other variables used can include unemployment and inflationary pressure (Di Tella et al., 2001; Di Tella & MacCulloch, 2008), environmental contamination (Luechinger, 2009), as well as aviation noise, as indicated in (Van Praag & Baarsma, 2005).

немеритократические формы. Обнаружено, что недовольство неравенством ниже среди тех, кто сегодня беден, но рассчитывает стать богатым в будущем, чем среди тех, кто ожидает бедности в оба момента времени. Показано, что субъективный ранг индивида в распределении доходов более важен при определении его субъективного благополучия, чем относительный уровень заработной платы.

Ключевые слова: экономическое неравенство, меритократические и немеритократические факторы экономического успеха, распределение доходов, субъективное благополучие.

The present study aims to examine the reasons for economic disparity in the Russian Federation perceived by the population and examine if people evaluate the fairness of economic disparity as their chances for prosperity.

Literature Review

One of the first works devoted to the economics of happiness was the research by Morawetz et al., (1977), considering two Israeli communities and demonstrating that the degree of happiness is higher when the distribution of material wealth is more equal. The findings of this work are of a certain interest, but they are based on only two cases without taking into account other possible discrepancies that may exist between communities. Tomes (1986), drawing upon the Quality of Life Survey held in two hundred Canada's electoral districts in 1977, compared the statistics of material wealth distribution and demonstrated that the level of earnings received by the lower forty per cent of the population was inversely related to the feelings of life satisfaction demonstrated by male participants in the census. At the same time, these factors were not as essential for female participants. It can be concluded that the correlation between the level of earnings and the subjective well-being of men is positive.

Hagerty (2000), relying on the data of the GSS (General Social Survey) for the years 1989–1996, revealed that the highest community income and community income disparity had a negative and positive correlation with the feelings of happiness, respectively. Studies by Blanchflower & Oswald (2003) and Oishi et al., (2011) indicated that there were inverse relationships between the life satisfaction degree and income disparity. Meanwhile, Alesina et al.,

(2004), based on the same GSS data, found no consistent interrelation between income and happiness. Based on the long-term data for the USA and Europe provided taken from the GSS (1972–1997), as well as Eurobarometer¹ (1975–1992), the authors of the above-mentioned study suggested that wealth disparity affected the subjective well-being of the European population, but it was the other way in the USA. This difference can be explained by the (perceived) higher social mobility in the U.S.

In the study by Schwarze and Härpfer (2007), income disparity was assessed using data on gross family income taken for an area and a year. The data for this research were provided by the Socio-Economic Panel (SOEP²). It was found that life satisfaction was inversely related to income disparity (at the same time, the index of the redistribution of material wealth was not essential in this study). Some other studies (Biancotti & D'Alessio, 2008; Ebert & Welsch, 2009; Brodeur & Flèche, 2013; Van de Werfhorst & Salverda, 2012; Oshio & Kobayashi, 2010; Verme, 2011; Winkelmann & Winkelmann, 2010) also revealed a negative interrelation between income disparity and well-being.

At the same time, several papers demonstrated a direct interrelation between income disparity and well-being. For instance, Ball (2001) showed that life satisfaction and economic disparity positively correlated with the World Values Survey (WVS³) data for 1996. Knight et al., (2009), relying on the data of the China National Household Survey, 2002, identified a direct association between country-level income disparity and life satisfaction.

Grosfeld and Senik (2010) attempted to find a similar correlation, analysing the data from Poland during the time of transition from socialism to capitalism (1992–2005). They determined a turning point in the hypothesised correlation between subjective well-being and income disparity. This correlation was positive and essential in the first period of the transition period, but then became significantly negative. The turning point was found to be 1996. This change is explained by the fact that economic segregation was first perceived as ensuring opportunities for obtaining higher incomes in the

future, but then, it became clear that not each person can take advantage from opportunities offered by this more pronounced inequality, which resulted in a more negative assessment of existing differences.

Along with assessing the magnitude of the measured effect, some researchers also analyse quantitative information. Alesina et al., (2004) demonstrated that a 1% increase in the Gini coefficient corresponded to a \$2,950 increase in the annual income level in the USA (8.7% of the total income) and \$474 in Europe (4.2% of the total income level). Schwarze and Härpfer (2007) estimated the SOEP data and found that the effect was more moderate. At the same time, in all of the above-mentioned studies, the scale of the effect is measured as a percentage of the subjective well-being range. Nevertheless, while the SOEP well-being scale has 10 points from 0 to 10, the British Household Panel Survey (BHPS⁴) offers a scale ranging from 1 to 7. Hagerty (2000), Schwarze and Härpfer (2007), Winkelmann and Winkelmann (2010), and Rozer and Kraaykamp (2013) offer five different scales for estimating the levels of subjective well-being, which makes comparative analysis more complicated.

Some studies dealing with economic disparity and happiness also analysed the role of mediate variables to determine subjective groups with the greatest inequality correlation, aiming to better understand the specific conditions under which income disparity can influence subjective well-being. Alesina et al., (2004), based on data for Europe, note that inequality has a greater impact on the poor population and the left (since it exerts a more pronounced influence on their wellbeing) as compared to the right and better-off part of the population. This finding was also confirmed by Vandendriessche (2012). At the same time, Grosfeld and Senik (2010) found a direct relationship between well-being and economic segregation only for the right.

Regarding the role of individual earnings, Oshio and Kobayashi (2010) revealed that the effect of income disparity on life satisfaction was negative and was essential only for the two lowest quintiles of material wealth distribution.

¹ Eurobarometer is a panel survey of European households, held annually since 1974.

² SOEP (socio-economic panel) is a panel survey of German households held annually since 1984.

³ World Values Survey (WVS) is a research project that brings together social scientists from all over the world who study values and their impact on social and cultural life.

⁴ British Household Panel Survey (BHPS) is a panel survey of British households, which represents a review of social and economic research. The British households sample was first drawn up and surveyed in 1991.

Clark (2003) showed that the dependence between regional income disparity and personal well-being was stronger and more positive for individuals whose earnings were becoming more mobile over time. According to Oshio and Kobayashi (2010), the interdependence between life satisfaction and economic disparity is more negative for youth, women, people with vulnerable positions in the labour market, and the politically centred part of the population.

Some researchers note the mediating role of personal values instead of demographic determinants. Biancotti and D'Alessio (2008) note a more negative impact of inequality on individuals reporting moderation values. The researchers Rozer and Kraaykamp (2013) show a more negative (or less positive) influence of the Gini coefficient on well-being in Europe for people who promote equality and rely on a higher degree of social and institutional trust. As expected, if the income distribution offers information about a person's future potential status, as demonstrated by Ferrer-i-Carbonell and Ramos (2014), the impact of inequality is more pronounced for people with higher (self-estimated) risk avoidance factors according to the 1997–2007 SOEP data. The impact of the Gini index on overall life satisfaction is twice as negative for persons with the highest risk avoidance scores (on a 10-point scale) in contrast to those reporting a modal score of five.

An essential personal value is the perceived degree of fairness of the economic system. According to Oshio and Kobayashi (2010), the influence of economic segregation on life satisfaction is alleviated by fairness toward other people, as perceived by a person, and the degree of trust in others. Bjornskov et al. (2013) showed that the perceived fairness of income acquisition ways had a certain impact on the relationship between the inequality of earnings and subjective well-being.

The diversity of the considered samples makes it difficult to conceptualise the obtained results. Another reason is that researchers have not accepted a uniform measure of inequality. Most authors suggest using the Gini coefficient, but still, there is no uniform opinion regarding the level at which this coefficient should be used (a region or a country). The majority of studies analyse data providing only rough information on the distribution of earnings. Some studies

assess inequality at the local level relying on data for Great Britain, Japan, Russian Federation, and Germany (Senik, 2004; Clark, 2003; Schwarze & Härpfer, 2007; Oshio & Kobayashi, 2010).

A valuable study by Brodeur and Flèche (2013) involves large-scale data to analyse inequality indicators at the local level; the authors analyse information from the American Behavioral Risk Factor Surveillance System (BRFSS¹). Winkelmann and Winkelmann (2010) investigate the data from the 2002 Swiss Household Panel and show correlations between inequality factors at different levels, including municipalities, cantons, and regions.

The aggregation degree is important since the Gini coefficient typically changes only insignificantly over time. Thus, Graham and Felton (2006) demonstrate for Chile that the Gini coefficient values in the 2000s were similar to those in the 1960s regardless of the essential socio-economic changes that occurred in this period.

However, the above-mentioned non-essential changes in the inequality degree do not cancel the assumption that it is closely interrelated with some other variable essential for happiness. The inequality of earnings at the local or state level can be indicative of the level of unemployment or the industry structure, which can also impact subjective well-being. Further examination is required to determine individual contributions of economic disparity and other variables. However, satisfactory observations are not always available at the aggregate level. The array of potentially relevant variables of the aggregate level is frequently too close to the formal quantity of independence degrees used for the analysis. For example, when analysing GSS or Eurobarometer data, the inequality of earnings provides a negative but non-essential coefficient. The reason for this is a certain linear dependence between the considered variables (Oishi et al., 2011): if one disregards unemployment benefits as a variable closely associated with inequality, the inequality coefficient turns out to be negative and significant. Verme (2011) states that the relative invariance of the assessed Gini coefficient makes it predisposed to multicollinearity with other variables at the aggregation level.

¹ BRFSS (Behavioral Risk Factor Surveillance System) is a US health survey programme that considers behavioural risk factors.

The present study, although not claiming to suggest a universal solution to the above-mentioned problems, reveals the correlation between subjective well-being, the level of earnings and subjective perception of economic disparity, based on the data for forty-four Russian regions obtained in October-November 2019.

Methodology

The research methods applied in the paper involve focus groups and quantitative survey. A total of 1,745 persons aged 18 to 74 were interviewed during the quantitative survey, those from 44 regions of the Russian Federation, including Moscow, regional centres and small towns in Central Russia. The survey was carried out by telephone interviewing. In addition, 9 focus group meetings were held in Moscow, Vladimir and Gus Khrustalny, with a total number of the respondents being 90 (30 persons – aged 20-30, students and specialists with higher education, 30 persons – aged 35-55 having secondary education, 30 persons – aged 56+, having secondary education).

Results

1. Economic inequality as perceived subjectively

The economic metrics of inequality measured with the help of economic statistics are not fully compatible with those measured by sociological surveys. However, even a rough comparison shows that subjective perception of inequality has increased substantially more than that measured objectively. According to the quantitative survey results, now, 30 years after the collapse of the USSR, 82% of the respondents expressed their resentment of economic inequality. Only 18% reported that they felt no indignation at economic inequality (4% “causes no revolt” and 14% “more likely, does not cause revolt”).

The survey results show that the vast majority of the respondents across all demographic groups are outraged by the economic inequality. This form of inequality is somewhat less resented in the younger age group (79% of the respondents are indignant), while it is most resented in the 41-60 age group (85% of the respondents).

Table 1.

Assess to what extent you are indignant about the economic inequality.

<i>Age, years</i>					
	Total for the array	18-30	31-45	46-60	61+
Does not cause any revolt	4%	4%	4%	3%	3%
More likely, does not cause revolt	14%	12%	17%	12%	15%
More likely, makes you feel indignant	40%	47%	41%	36%	40%
Causes strong revolt	42%	37%	38%	49%	42%
<i>Gender</i>					
	Total for the array	Men	Women		
Does not cause any revolt	4%	5%	3%		
More likely, does not cause revolt	14%	13%	15%		
More likely, makes you feel indignant	40%	37%	43%		
Causes strong revolt	42%	45%	39%		
<i>Place of residence</i>					
	Total for the array	Moscow	Regional centres	Small and medium-sized cities	
Does not cause any revolt	4%	5%	2%	4%	
More likely, does not cause revolt	14%	16%	14%	12%	
More likely, makes you feel indignant	40%	43%	40%	38%	
Causes strong revolt	42%	36%	43%	46%	
<i>Education</i>					
	Total for the array	Higher education		Secondary, specialised secondary education	
Does not cause any revolt	4%	4%		4%	
More likely, does not cause revolt	14%	15%		11%	

More likely, makes you feel indignant	40%	41%		40%
Causes strong revolt	42%	40%		45%
<i>Monthly income, thousand roubles</i>				
	Total for the array	Up to 20	20–60	60+
Does not cause any revolt	4%	3%	4%	5%
More likely, does not cause revolt	14%	11%	15%	18%
More likely, makes you feel indignant	40%	36%	43%	45%
Causes strong revolt	42%	50%	38%	32%

Source: received by the authors

As expected, the economic inequality is less resented in Moscow (79% of the respondents, of which 43% “rather resent economic inequality” than “strongly resent it”), while it is most resented by the residents of smaller towns and cities (84%). As it was also expected, people with high income resent economic inequality least of all (77% of the respondents), while the greatest indignation is shown by people with low income (86%).

In order to properly assess the perception of economic inequality, it is necessary to assess the source of its origin. This aspect was particularly

emphasised in the focus groups. The thing is that the sources of high incomes, as expressed by the respondents, can be “earned or deserved” or “corruption-ridden”. Labour income, even if subjectively deemed as high, is viewed by the population as fair and not subject to expropriation or criminal prosecution of its owners.

Further, based on a loosely rephrased Pierre-Joseph Proudhon’s statement¹ “La propriété, c’est le vol!” (Property is robbery!), we obtained the following survey results (figure 1).

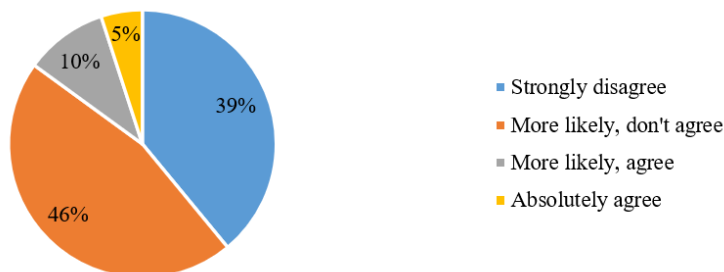


Figure 1. Agree or disagree with the following statement: “Having property other than a single dwelling and a car is a sign of unearned income”.

Source: received by the authors

It is important to note that different elements of corruption are not perceived equally by the population. A significant circumstance is – according to the predominant opinion of the respondents – that it is virtually impossible to get a serious order without a kickback, since corruption is an integral part of the existing economic system.

Thus, according to the vast majority of the respondents, the main cause of economic

inequality in the country is corruption, i.e. inequality is unfair.

2. Subjective assessment of current financial well-being, life satisfaction and chances of material success

We got the following answers to the question “Do you think you have a good chance to improve your standard of living? Rate on a scale from 1 to 5 where 1 is no chance, 5 – very high” (Table 2).

¹ Pierre-Joseph Proudhon was a French anarchist socialist who put forward a basic thesis “Property is Theft!” in his book “What is Property? An Inquiry into the Principle of

Right and of Government” in 1840, which became a slogan of the 1793 revolution in France.

Table 2.

Do you think you have a good chance to improve your standard of living? Rate on a scale from 1 to 5 where 1 is no chance, 5 – very high.

Age, years					
	Total for the array	18-30	31-45	46-60	61+
very low	23	7%	10%	30%	44%
2	22	16%	21%	27%	25%
3	31	36%	37%	29%	19%
4	18	31%	24%	11%	18%
5 – very high	6	11%	8%	3%	1%
Gender					
	Total for the array	Men	Women		
1 – very low	23	20%	26%		
2	22	24%	21%		
3	31	31%	31%		
4	18	18%	18%		
5 – very high	6	7%	4%		
Place of residence					
	Total for the array	Moscow	Regional centres	Small and medium-sized cities	
1 – very low	23	22%	24%	24%	
2	22	20%	23%	25%	
3	31	32%	29%	31%	
4	18	19%	19%	16%	
5 – very high	6	7%	6%	4%	
Education					
	Total for the array	Higher education	Secondary, specialised secondary education		
1 – very low	23	21%	27%		
2	22	22%	24%		
3	31	31%	29%		
4	18	21%	13%		
5 – very high	6	6%	6%		
Monthly income, thousand roubles					
	Total for the array	Up to 20	20-60	60+	
1 – very low	23	31%	19%	13%	
2	22	25%	21%	22%	
3	31	29%	32%	29%	
4	18	12%	22%	24%	
5 – very high	6	3%	6%	12%	

Source: received by the authors

It is expected that with age the chances of future wellbeing are assessed to be increasingly reduced (only 7% of young people and 44% of elderly respondents assess their chances as very low, while 11% of the former and 1% of the latter deem them to be very high). The gender-specific result seems somewhat unexpected: only 4% of women compared to 7% of men assess their chances as very high, at the same time 26% of women and 20% of men believe that their chance of material wellbeing is neglectful. Probably this is explained by the gender discrimination in wages. The residents of small towns are less likely to assess their chances as very high, compared to the opinions of those residing in regional centres and in Moscow (4% versus 6% and 7%, respectively).

Irrespective of the educational level, 6% of the respondents both in the group with higher education and the group having secondary and secondary specialised education assessed their chances as very high. However, education does not influence the views when assessment of chances is declared to be very low – 21% in the respondents with higher education and 27% in the respondents having no higher education. And, as expected, the chances of success are assessed to be higher as the income level increases. A total of 12% of the respondents with the income level above the average assess their chances of success as very high; the same expectations are specific of 6% of the respondents with the average income and only 3% of the respondents with low income.

Similarly, the chances are rated as very low in 13% versus 19% versus 31% respectively.

The assessment of chances of material success depends mainly on the age and income level. The younger the respondents, the less they rate their chances to be very low; the higher their income level, the more they rate their chances as very high.

Highly illustrative is the fact that 45% of the respondents assess their chances of improving their plane of living as low and extremely low, which is indicative of a very high level of social pessimism which may escalate into social

tension. Considering that 23% of the surveyed young people, 57% of the pre-retirement-age respondents and 69% of the retirement-age respondents assessed their chances of life quality improvement as low and very low, it can be safely assumed that this dramatically narrows the planning horizon and draws the perception of the future in rather gloomy colours. The perception of the future as threatening, in turn, leads to stress and intense emotional crisis in the society.

At the same time, 48% of the population state that their current wages do not allow them to cope with material distress and they experience regular financial difficulties (figure 2).

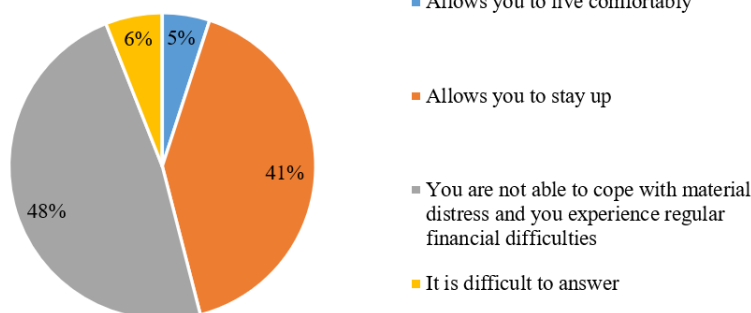


Figure 2. Your current salary.
Source: received by the authors

One can state that income inequality is perceived as high in the society; 82% of the respondents resent it. A total of 48% perceive their income level as low, causing them to experience financial difficulties on a regular basis. At the same time, 48% of the population perceive their chances to improve financial situation as high or very high, while 45% deem them to be low or very low. The chances of success are treated as lowest in small and medium-size towns, being

the highest in Moscow. At the same time, the opinion that economic success is reached through political ties is most popular in Moscow; this approach is not favoured in small cities where the need for hard work for getting money is a preferable option; the latter position (hard work) is valued least of all in Moscow. Moreover, as the distance from the capital increases, the people are more likely to demand a salary cap (coefficient 0.38) (Tables 3-4).

Table 3.
Assess the extent to which the “Political connections” factor can influence a person’s material success in Russia, on a scale from 1 to 5 where 1 is for ‘does not influence at all’ and 5 is for ‘influences greatly’.

Age, years					
	Total for the array	18-30	31-45	46-60	61+
1 – does not influence at all	2%	2%	2%	1%	2%
2	3%	2%	4%	3%	3%
3	12%	9%	12%	13%	12%
4	27%	25%	28%	27%	32%
5 – influences greatly	58%	63%	55%	55%	52%
Gender					
	Total for the array	Men	Women		
1 – does not influence at all	2%	2%	1%		
2	3%	2%	4%		
3	12%	10%	12%		

4	27%	25%	30%	
5 – influences greatly	58%	60%	53%	
Place of residence	Total for the array	Moscow	Regional centres	Small and medium-sized cities
1 – does not influence at all	2%	2%	1%	3%
2	3%	3%	4%	3%
3	12%	10%	13%	11%
4	27%	29%	25%	29%
5 – influences greatly	58%	56%	58%	55%
Education	Total for the array	Higher education	Secondary, specialised secondary education	
1 – does not influence at all	2%	1%	2%	
2	3%	3%	3%	
3	12%	12%	11%	
4	27%	29%	26%	
5 – influences greatly	58%	55%	57%	
Monthly income, thousand roubles	Total for the array	Up to 20	20-60	60+
1 – does not influence at all	2%	2%	2%	3%
2	3%	2%	4%	3%
3	12%	12%	12%	8%
4	27%	28%	26%	34%
5 – influences greatly	58%	56%	57%	53%

Source: received by the authors

Table 4.

What do you think is the government's role in setting a wage ceiling?

Age, years					
	Total for the array	18-30	31-45	46-60	61+
1 – the government should not be engaged in this	16%	19%	14%	17%	14%
2	10%	13%	9%	10%	9%
3	19%	20%	22%	18%	16%
4	17%	16%	21%	15%	17%
5 – the responsibility for this lies entirely with the government	38%	32%	35%	40%	44%
Gender	Total for the array	Men	Women		
1 – the government should not be engaged in this	16%	18%	14%		
2	10%	10%	10%		
3	19%	19%	19%		
4	17%	17%	17%		
5 – the responsibility for this lies entirely with the government	38%	36%	39%		
Place of residence	Total for the array	Moscow	Regional centres	Small and medium-sized cities	
1 – the government should not be engaged in this	16%	18%	15%	13%	
2	10%	12%	9%	9%	
3	19%	19%	18%	20%	
4	17%	18%	18%	15%	
5 – the responsibility for this lies entirely with the government	38%	32%	40%	42%	
Education	Total for the array	Higher education	Secondary, specialised secondary education		
1 – the government should not be engaged in this	16%	17%	14%		

2	10%	12%	6%
3	19%	19%	19%
4	17%	17%	19%
5 – the responsibility for this lies entirely with the government	38%	35%	43%
Monthly income, thousand roubles	Total for the array	Up to 20	20-60
1 – the government should not be engaged in this	16%	13%	16%
2	10%	7%	11%
3	19%	18%	20%
4	17%	17%	18%
5 – the responsibility for this lies entirely with the government	38%	44%	35%
		60+	29%
			15%
			16%
			12%

Source: received by the authors

Thus, one can conclude that in big cities people count on themselves, while in small towns – on the government, since they consider the chances of success to be low.

Figure 3 shows the results of subjective life satisfaction opinions.

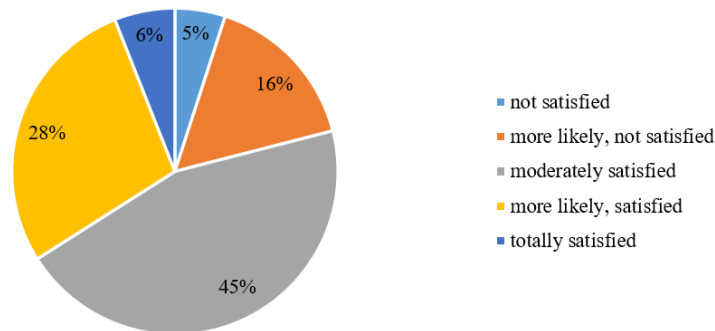


Figure 3. Rate to what extent you are satisfied with your life on a scale from 1 to 5 where 1 is not satisfied, 2 is more likely not satisfied, 3 is moderately satisfied, 4 is more likely satisfied, 5 is satisfied.

Source: received by the authors

Predictably, life satisfaction is lower among people with low incomes. However, although economic inequality is perceived as unfair due to corrupt incomes and causes strong revolt of the population (82%), the authors were unable to find a correlation between subjective well-being and inequality. A total of 34% of the respondents are satisfied or rather satisfied with their life and only 21% are not satisfied or more likely not satisfied.

That is, dissatisfaction with inequality is lower among those who are poor today but expect to become well-to-do in the future than among those who expect to be poor at both temporal points.

3. Mechanisms of financial success as perceived by the population

The subjective assessment of both – one’s own well-being and the possibility of its improvement – depends to a large extent on two circumstances:

- 1) the factors perceived by the individual as mechanisms of success;
- 2) the individual’s rank in his/her reference group.

The higher the respondents’ assessment of their chances of success, the more frequently they state that their salary allows them to stay up – 0.31, that they consider their salary to be fair – 0.38, the more satisfied they are with their life – 0.33, the less frequently they believe that unemployment benefits should be increased and/or a salary cap should be imposed (negative coefficients 0.34 and 0.3 respectively) and the less frequently they think that poverty is a result of injustice (negative coefficient 0.38).

In the course of the survey, the respondents were asked to consider both meritocratic and non-meritocratic factors in terms of influence on material success. Among the non-meritocratic factors, the following were suggested (Table 5).

Table 5.
Non-meritocratic factors influencing material success.

Factor	% of respondents who rated this factor as substantial and very strong
Origin from a wealthy family	88
Acquaintance with the right people	92
Political connections	85
Ethnicity	33
Religious affiliation	14
Gender	28
Engaging in corruption	58
Political preferences	46

Source: received by the authors

Thus, according to the respondents, the non-meritocratic factors that have the greatest impact on material success in Russia are: (a) acquaintance with the right people, (b) origin

from a wealthy family, (c) political connections. Among the meritocratic factors, the following are presented in Table 6.

Table 6.
Meritocratic factors influencing material success.

Factor	% of respondents who rated this factor as substantial and very strong
Good education of the individual	52
Professional ambitions	64
Inborn aptitudes	54
Hard work	47

Source: received by the authors

In general, the following meritocratic factors are viewed as relevant for economic success: (a) professional ambitions, (b) education and (c) inborn aptitudes.

Thus, in the opinion of the population, the Russian society is dominated by non-meritocratic forms of inequality connected with corruption and affiliation to certain political circles. These forms of inequality are assessed by the population as unfair, but do not influence the subjective attitudes to well-being.

4. Individual's rank in a reference group

With half of the population experiencing financial difficulties, people compare their

situation with that of others. The older the respondents, the less frequently they compare themselves with reference groups (65% of young people and 45% of elderly people resort to comparing their situation with others). The vast majority of people compare themselves with their friends, neighbours and relatives. The reference group next in importance is the colleagues, followed by celebrities (about 7% of the respondents in all demographic groups compare themselves with the latter). People with secondary education and low income compare themselves with celebrities somewhat more frequently, which cannot but worsen their psychological condition which is reflected in their subjective assessment of own chances of success (figures 4 and 5).

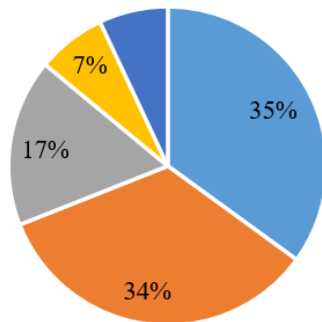


Figure 4. Do you compare your financial well-being with others?
Source: received by the authors

- I do not make comparison
- I make comparison with my friends, neighbours
- I make comparison with the colleagues
- I make comparison with celebrities
- I do not have a definite answer

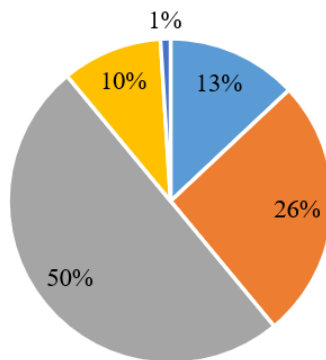


Figure 5. If you compare your financial well-being with that of your environment where do you rank yourself on a scale from 1 to 5.
Source: received by the authors

- 1 - I am at the very end of the line
- 2 -
- 3 -
- 4 -
- 5 - I am in the wealthiest category

A total of 50% of the surveyed people having no higher education, those with low income, more often rate their position in their own environment as low and very low. Meanwhile 4 per cent of the low-income people, 14 per cent of the middle-income people and 24 per cent of the people with above-average income rate their position as high or very high.

Thus, the main reference group is friends, neighbours and relatives; the number of respondents who assess their position in the reference group as low and very low is 3.5 times more than the number of those who assess their position as high and very high (39% versus 11%).

The number of people who compare their well-being with a reference group is 1.7 times more than the number of those who do not compare themselves with anyone else (58% vs. 35%). The problem is that the process of comparison always forces an individual to make efforts – if not to win, then at least not to lose out in the competition with representatives of a reference group. This is one of the factors shaping debt burden of the population (the American version: “Keeping up with the Joneses”). At the same

time, the higher the individual evaluates himself/herself in his/her environment, the higher his/her life satisfaction – the correlation coefficient is 0.26.

Stated differently, the information about the individual’s revealed rank in income distribution is more important in identifying his/her satisfaction than the relative wage level. It is also interesting to note the match between the number of people who are satisfied with their life (34% in our sample) and the people who do not compare themselves to anyone else – 35%.

Discussion

Despite the findings of numerous studies that revealed a correlation between subjective well-being and perceived inequality, this match was not found in the survey of our – sufficiently representative – sample; nor could we find any correlation between the perceived fairness/unfairness of the economic system and subjectively treated high/low well-being. The only match we obtained was a quite evident overlap with the work of Oishi et al., (2011) stating that the impact of inequality on subjective

well-being being is negative for low-income individuals.

Two explanations are possible for this. Firstly, it is the use of different methodologies and scales (the described-above sources represent socio-economic studies and use the scales ranged from 6 to 10, while the present research is of socio-psychological nature using the scale with the range of 4). Secondly, one should take into consideration the impact of serious socio-economic upheavals that have taken place in the country since 1991, when the population, totally unprepared for the market economy, found itself immersed in capitalism, with capitalists unprepared for the same. As stated above, Grosfeld and Senik (2010) revealed, using Poland as an example, that the relationship between inequality and subjective well-being was positive and significant in the early years of transition from socialism to capitalism, but, starting from 1996, it became substantially negative. The reason is that originally it was viewed as a platform providing opportunities for future higher incomes, but subsequently it led to negative comparative assessment of differences, when it became clear that not everyone would be able to exploit the opportunities promised by the growing inequality. Similar processes are likely to have taken place in the Russian society. However, from 2000 onwards, the country embarked on a course towards state capitalism, which resulted in considerable improvement of state employees' financial well-being versus deterioration of the financial health of small business. This considerably reduced the economic inequality of the population, shifting it to the status of political inequality between the state (and business structures fused into it) and the population. After that, the economic crisis, which broke out in 2014 and continues to this day, intensified this inequality, though did not lead to economic stratification of the population. All of these political-economic processes may have influenced the public perception of inequality, with the greatest resentment caused by corrupt incomes. Further research is needed to identify the reasons of differences in the derived data.

In addition, as mentioned above, it is highly likely that inequality is strongly correlated with some other variables having an independent impact on subjective well-being. Further socio-psychological research could shed light on whether such correlation between inequality and people's values exists.

Conclusions

The following conclusions can be drawn from the present research. The absolute majority of the respondents believe that the main cause of economic inequality in the country is corruption, i.e. inequality is unjust and is strongly resented by 82% of the respondents.

Subjective assessment of a person's chances of material success depends mainly on the age and income level. The younger the respondent, the less often he/she assesses his/her chances as very low; the higher the respondent's income level, the more often he/she assesses his/her chances as very high.

The chances of success are valued as the lowest in small and medium-sized cities, and as the highest – in Moscow. At the same time, the need for political connections in order to achieve economic success is deemed to be the most important factor in Moscow, being the issue of least concern in smaller cities. At the same time, the need for hard work is valued most highly in smaller cities, not being an issue of priority in Moscow. In addition, a negative correlation of 0.38 was found between the city size and demand for a salary cap. These data are evident of acutely perceived inequality between different regions of the country and its administrative/territorial units – when people living in small and medium-sized cities can only rely on working hard in the absence of useful connections, but still fail to achieve financial success, which makes them demand a wage ceiling for others.

Finally, proceeding from the people's subjective assessment of own chances of economic success, it can be assumed that people in big cities rely more on themselves, while in small and medium-sized cities – on the government.

Despite the fact that, according to the opinions of the population, the Russian society is dominated by non-meritocratic forms of inequality associated with corruption and affiliation with certain political circles, no correlation was found between the perceived unfair inequality and subjective well-being. However, negative correlation (with a coefficient of 0.33) was revealed between the resent of inequality and assessment of own prospective mobility. This means that dissatisfaction with inequality is lower among those who are poor today but expect to become prosperous in the future than among those who accept poverty as inevitable both now and in the future.

The information about the individual's revealed rank in income distribution is more important in identifying his/her satisfaction than the relative wage level. A positive correlation of 0.26 was found between the individual's rank in a reference group and his/her subjective well-being.

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