Perception of Inequality

Research Magazine of the Cluster of Excellence “The Politics of Inequality” at the University of Konstanz
Table of Contents

INSIGHTS FROM OUR RESEARCH
8 Neither correct nor imagined: Perceptions of discrimination among immigrants (C. Diehl)

INFORMATION FROM OUR RESEARCH
16 Examined by light: Measuring inequality using nighttime satellite images (G. Theunissen, N. B. Weidmann)

INTERVIEW
12 Inequality, climate change and globalization: Interview with Gabriele Spilker (P. Töbelmann)

INSIGHTS FROM OUR RESEARCH
22 Gendered professions, gendered pay: The question of fairness (T. Hinz, S. Liebig, O. Brüggemann)

VISUAL SOCIAL SCIENCE
16 Examined by light: Measuring inequality using nighttime satellite images (G. Theunissen, N. B. Weidmann)

INSIGHTS FROM OUR RESEARCH
26 The skewed perception of income and social mobility in society (L. Bellani, N. Bledow)

TALES FROM THE LAB
30 The long road to launch day: How to perform a survey of 3000 adolescents (S. Garritzmann, K. Pomianowicz, N. Wehl)

INSIGHTS FROM OUR RESEARCH
36 “It’s the value that we bring.” How top income earners view inequality (K. Hecht)

THINKING OUT LOUD
48 Looking at inequality in times of crisis (F. Rohrbeck)

WIDE ANGLE
34 Looking at the neighbors: Why most people feel middle class (K. Payne)

6 Editorial
38 Imprint
42 News
52 Perspectives
DEAR READERS

Germany has gone to the ballots—and we watched the campaigning unfold online, in public spaces and on TV screen. What are the most urgent problems, and what kind of solutions are on offer? When election time rolls around, the importance of the Perceptions part of our classic feedback cycle—Perceptions, Participation, Policies—becomes particularly striking: we investigate how inequality is perceived, how it leads to political mobilization, and how the political system responds selectively, in turn impacting existing inequalities. Perceptions of inequality take center stage when the relation between objective problems and political preferences seem to make no sense: why, for instance, do redistributive policies often find so little support and acclaim among those who would profit from them? “Self interest” is often a hard to grasp concept here. And since tax reports do not exactly fit on a beer coaster, various institutes’ calculations of which societal groups would benefit the most from which party program have taken up much headline space in the run-up to the election.

The various shapes and effects of the perception of inequality is the focal point of our In_equality magazine, issue 02. Once more it showcases how much has come to term—be it research, joint discussion or publications—even while the hallways still see little traffic, as the pandemic continues to influence working conditions. On the flip side, you may lately have seen more of our colleagues on TV, or heard of them on the radio. Our co-worker Katrin Schmelz, for example, has been much in the public eye for her research into how COVID-19 vaccination campaigns can find acceptance.

One field where we have no need of subjective perceptions is in measuring how quickly people are flocking back to the workplace now. We can rely on one objective indicator: coffee consumption at the Cluster café. It has seen a steep increase, and— unlike vaccination curves—the trend seems unbroken so far. Naturally, we are all overjoyed to hold scientific exchange unburdened by the vagaries of functioning internet connections. And we have grown further. We will extend our warmest welcome to all of the newly-clustered in this issue’s News section, but here we would like to name our Cluster professor Gabriele Spilker, who has recently been presented with her letter of appointment and a bouquet of flowers. Sebastian Koos, who has been known to frequent the coffee machine in the past, has also received the call to a Cluster professorship. Welcome and congratulations, Gabi and Sebastian!

Just now can also see how the Konstanz inequality research community is perceived from the outside: the call for papers for our In_equality Conference on 6th to 8th April 2022 has been met with abundant response. We are already looking forward to choosing the best, most interesting and most innovative among the many great proposals.

Here’s to a winter term filled with personal encounters, and a coffee machine running hot! /

Yours
MARIUS R. BUSEMeyer,
CLAUDIA DieHL &
NILS B. WEIDMANN

Marius R. Busemeyer is Professor of Political Science at the University of Konstanz and Speaker of the Cluster of Excellence “The Politics of Inequality.”
Claudia Diehl is Professor of Microsociology at the University of Konstanz and Co-Speaker of the Cluster. Nils B. Weidmann is Professor of Comparative Politics of Non-Democratic States at the University of Konstanz and Co-Speaker of the Cluster.
INSIGHTS FROM OUR RESEARCH

Neither correct nor imagined:
Perceptions of discrimination among immigrants (C. Diehl)

In many areas, there are sharp inequalities between persons with and without migration background, including the labor and housing markets or the education system. What causes these inequalities is a matter of debate. The answers vary, among other things, depending on the political preferences of those who give them, ranging from “the culture of some immigrant groups is to blame” to “racial inequality is the result of discrimination and racism”. However, empirical evidence to support either of these explanations is limited in existing studies. For example, the effects of individual religious beliefs on educational outcomes are weak, even among Muslim women. Racial discrimination and racism, on the other hand, are undoubtedly present in Germany, but they do not contribute as much to existing group differences as they do in the United States, for example. Researchers largely agree that racial inequalities in Germany are primarily rooted in structural factors: in the high shares of low-skilled workers among those who immigrated beginning in the 1950s, and in the transmission of low educational attainment from one generation to the next. But that is not to draw the reverse conclusion that discrimination does not exist. On the contrary, it is well documented through so-called audit studies or through the identification of racial disadvantage in statistical analyses (see info box “Analyzing racial discrimination”, page 11). These findings suggest that, while discrimination does exist in Germany, its contribution to explaining racial inequalities in the education system or the labor market is moderate compared to other countries.

Both methods—audit studies and statistical analyses—have advantages and disadvantages. That is why researchers like to draw on a third source of information when it comes to studying discrimination: the perceptions of those who experience discrimination. Not all of their perceptions, however, reflect “objective” discrimination, or actual “exposure”, as social scientists call it. Especially in societies where discrimination is officially condemned or outright prohibited, it often comes in subtle forms, making it difficult to pinpoint for those affected by it. For that reason, unsuccessful applications for jobs or housing are often attributed to other factors, such as more competitive applicants. Conversely, however, it is also quite plausible and more reassuring in terms of self-esteem to assume that unfavorable outcomes are the result of discrimination.

Moreover, the scope of perceived discrimination is an indicator of how strongly people expect to receive equal treatment. Such expectations are especially high among those who have already obtained equal status with majority members in many areas – that is, those who were born in Germany, have high levels of education, and are well integrated in the labor market. Under these circumstances, it not only seems obsolete to keep searching for individual shortcomings to explain any remaining unequal treatment. Those affected also respond very sensitively to unequal treatment. Someone who speaks perfect German, for example, is more likely to notice microaggression in everyday life. The notorious question, “And where do you come from originally?” is then legitimately perceived as a marker of exclusion.

As a consequence, for all we know, those who most frequently report exposure to discrimination tend to be those whose objective exposure is relatively small – a phenomenon known as the “integration paradox” in the literature →
Inequality magazine
Perceptions of discrimination among immigrants

C. Diehl
Claudia Diehl is Professor of Microsociology at the University of Konstanz and Co-Speaker of the Cluster.

Inequality magazine

● Turks
● Repatriates/Poles
● Italians
● Asylum seekers/Syrians

Analyzing racial discrimination

Political scientists use administrative data to study discriminatory practices against certain immigrant-origin groups, for example with regard to approving naturalization applications or granting visas (on these aspects, the Cluster of Excellence “The Politics of Inequality” has established a project entitled “Administrative Inequality”, see → https://ungleichheit.uni.kn/forschung/forschungsprojekte/). Surprisingly, immigrants from Syria, who may be assumed to experience a comparatively high level of discrimination because of their religious affiliation and their status as asylum seekers, tend to report low levels of exposure—lower than the much more popular immigrants from Poland, for example.

In summary, discrimination does exist in Germany, but its measurable impact on racial inequality is limited. Individual perceptions of discrimination, while often highly subjective, are nonetheless far from inconsequential: they can reduce the desire to belong to the majority population, they have been shown to have negative effects on physical and mental well-being—and of course they are ethically unacceptable regardless of their consequences. This makes it all the more important to better understand the interplay between de facto discrimination, perceptions of discrimination, and other causes of inequality. That is why the issue is a good example to illustrate the relevance of subjective perceptions, which play a key role in our Cluster of Excellence in the research area “Perceptions of Inequality”. To be sure, perceptions are biased sometimes. But they nonetheless shape social reality.
Inequality, climate change and globalization: Interview with Gabriele Spilker

Gabriele Spilker joined the Cluster in October 2021 as Professor of International Politics – Global Inequality. In Konstanz she is going to establish a working group to study the effects of globalization and climate change on inequality, especially in the countries of the Global South. In our interview, she gives a glimpse into her research and her plans.

IN_EQUALITY Globalization, climate change, migration and conflict—and now inequality. You’re not afraid of tackling the big issues, are you?

GABRIELE SPILKER No, definitely not! Once you begin exploring one of the issues you mentioned, you quickly find yourself studying all of them. In my doctoral dissertation, I looked at how processes of globalization have an impact on whether development countries can protect their environments. Today, I still concentrate on these two areas: international economic interdependencies and environmental protection. Inequality now provides a third focus, but of course it has already been a key aspect in most of my publications.

Can you tell us a little bit about your research on globalization?

This is where inequality comes in right away. Although globalization generates overall wealth gains, it also has enormous redistributive effects. Some groups in society benefit greatly, whereas others become “losers of globalization”. I am investigating how people in different parts of the world perceive this. To measure individual attitudes, we primarily conduct survey experiments in various countries, including Costa Rica, Vietnam, Germany and the United States. With the help of these data, we can better understand how attitudes toward globalization are related to factors such as the welfare state, environmental protection or social standards. →
Young migrants with educational qualifications and the will to integrate are particularly welcome.

Your research questions are also some of the fundamental social and political questions of our time. What role can research play in addressing these issues? A major one – that is my conviction both as a scientist and as a private individual. I study the way things are, and for a long time I thought that normative issues, the way things should be, had to be kept strictly separate. But today I believe that normative considerations cannot always be ignored in science. Nor should they, for that matter! That is especially true in my area of research. To me, climate change is such an urgent challenge that I decided to get involved in society as a scientist by joining Scientists for Future. It is terribly difficult to package complex issues into neat, easy-to-understand messages. But political scientists are especially called upon to join that conversation. After all, any political response to the climate crisis will produce winners and losers. And the way we deal with the losers will label us as a society. My research offers a taste of this: the inequality already brought by globalization will hit us even harder as a result of environmental change. Why did you decide to come to Konstanz? Konstanz is my alma mater, so for me it’s going back to the roots. And I know there simply aren’t many academic departments in the German-speaking world that pursue a quantitative and empirical-analytical research approach of this quality. Konstanz stands out for its many great scholars, which is incredibly appealing. I won’t mention any names here… (laughs) but it’s a longer list. The student body is incredibly motivated as well, it is a true privilege to teach such students. I’ve had very happy years in Salzburg, working with wonderful colleagues, but in a relatively small department like theirs you don’t have the same opportunities. I’m really looking forward to working in a large group; there are so many people here collaborating on a great topic. That’s an excellent prospect. That’s why I’m happy to come to Konstanz – and I have no intention to leave again!

What do you plan to do and achieve here in the next few years? Above all, I want to introduce climate aspects into the inequality research at Konstanz. That has been missing somewhat, and it is far too important. When it comes to inequality, migration and conflict in the Global South, and with regard to research on attitudes and perceptions, of course, my work connects well with that of my colleagues here. Moreover, I would like to link up Konstanz with my network in the United States, Switzerland and Austria. At the University of Salzburg, I am still part of a Jean Monnet network on issues of transatlantic trade, and I would like to continue that involvement for a few more years. If the choice was yours, what would be your dream research project? What kind of support do people affected by the climate crisis in the Global South really need and want, for example from development aid donors? What is the best way to implement such aid? That is something I would like to learn more about, given a lot of resources and a lot of time. And I would love to do more fieldwork again, gain first-hand impressions locally instead of doing my research out of Europe.

“Any political response to the climate crisis will produce winners and losers. And the way we deal with the losers will label us as a society.”
Examined by light: Measuring inequality using nighttime satellite images (G. Theunissen, N. B. Weidmann)
Inequality researchers are interested in national indicators such as the famous Gini coefficient, which measures a country’s overall income inequality. But they often need to measure local economic inequality as well—within a region, a city, or even a village. This data is often difficult to obtain locally, especially in countries of the Global South. That is why Gerlinde Theunissen and Nils B. Weidmann work on a method to measure inequality from outer space.

Each pixel corresponds to a certain area (here: in the town of Kansanshi). The nightlight value of this area is shown in white. We match this value with the estimated population (in orange) living in the same area. We know from our previous research: More light emissions per capita are associated with greater wealth. This enables us to calculate a local measure of inequality from the pixels of a location.

How do we know that measuring nightlight emissions is really a valid way to measure inequality? To test our method, we need an independent source to confirm that what we measure is realistic. For this purpose, we use a wealth index from the Demographic and Health Surveys (DHS), an internationally funded program that collects data on population, development, and health. The DHS wealth index measures a household’s socioeconomic status on a scale of 1 to 5. Using the household scores of a neighborhood (=one pixel), we can estimate local inequality and match it with the results of our nightlight measurements. As a result, we can determine how accurately our method measures inequality.
How do the inequality estimates from the DHS data fit with our nightlight results? We see a clear connection: Wherever the DHS scores indicate higher inequality, the nightlight method also finds higher inequality. Furthermore, the results show that rural regions tend to have higher inequality than urban regions—in both the survey-based and the nightlight-based estimates.

Gerlinde Theunissen is an Independent Doctoral Fellow at the Cluster and investigates the interaction of politics with demographic transitions and economic developments.

Viewed from above
Even though satellites seem to hover far above things, they allow us to get a close-up view. So what can we do with our data? Research in countries of the Global North has shown that most people have difficulties with assessing national economic distributions. They do have a very accurate perception of their local economic situation, however, and use that perception to draw inferences about inequalities on a larger scale. Their perceptions of inequality influence their political opinions and actions.

We want to extend this research to countries in the Global South and study the effects of local inequalities on protests and political preferences in African countries. And by using nightlight emissions, it is now possible to measure these inequalities in countries where nationwide direct surveys would necessitate a great deal of effort. Estimating inequality through nightlight measurement indirectly enables us to study people’s political responses to the inequalities they experience and observe in their daily environments.
It seems to be common wisdom: Perceptions of inequality differ to a wide degree—depending on the ideas of fairness people share. For instance, one might evaluate pronounced inequality of labor market pay as legitimized if it adequately mirrors individual efforts and achievements. Specifically, in market exchange the principle of equity is widely accepted. But what happens if there is clear evidence of a systematic gap in rewards between categorical groups in a society that understands itself as meritocratic—such as gender, which splits labor market participants into women and men. Even though the “gender revolution” (Paula England) leveled out huge differences in educational attainment and labor market participation, remaining gender differences in gross pay (even adjusted for factors such as education and training) are relatively persistent in many countries. Is there any evidence that this persistent gap in pay is seen as “fair”—given the different occupations, working times, experience of women and men? Most importantly, is there a gender difference in the evaluation?

In an ongoing research project within the Cluster entitled “Perceptions of Gender and Seniority Wage Inequality,” a group of sociologists and economists work on gender differences in the evaluation of pay with a special focus on the organizational context (project team: Susanne Strauß, Nick Zubanov, Thomas Hinz, and Ole Brüggemann; learn more about the project here → https://inequality.uni.kn/research/projects/perceptions-of-wage-inequality/). As one of the first steps leading up to the project, a subgroup of the research team has sought to exactly address the question: how “fair” can a pay gap by gender be considered? To answer this, they collaborate with colleagues at the Socio-Economic Panel (SOEP/DIW) and use the comprehensive data set of the European Social Survey (ESS; see Figure 1). The surveyed responses tell us: Eastern European countries are characterized by the highest share of respondents who perceive themselves as underpaid, reaching shares of up to 80 percent in Hungary. Southern European countries follow, while central and northern European countries exhibit the highest shares of respondents who consider themselves fairly paid, with up to 65 percent reporting this in the Netherlands. →

Figure 1: Estimations of income fairness across Europe. “Would you say your gross pay is unfairly low, fair, or unfairly high?”
- Underpaid
- Fair paid
- Overpaid

[Source: ESS Topline Results Series, Vol. 10 → http://www.europeansocialsurvey.org/findings/topline.html]
What about gender? Do women potentially evaluate their lower pay as less unfair? Their data analyses speak in favor of a higher dissatisfaction of women when evaluating their gross pay. This is true in most countries—and in almost all occupations. Women systematically clearly rate their pay as “unfairly too low” more than men. These findings are in contrast to previous research which had provided evidence for a “contented female workers’ paradox”: women are more content with their jobs even if they are paid less.

This perception of unfairness is not the same for all groups, it differs significantly—but why? Our research offers the answer: The level of perception of unfairness depends on whether an occupation is predominantly female or male. In occupational groups with a small share of women, female workers even tend to evaluate their pay as “too high” (although this is not statistically significant). When the share of women reaches the halfway point (at or above 50 percent), the situation flips. Women in these occupations evaluate their pay as too low—the higher the share of women in the occupational groups, the larger the dissatisfaction (see figure 2).

Taken together, the results indicate that women have a pronounced and widespread consciousness of being “unfairly” and too lowly paid—specifically in occupational fields with a high proportion of women. It has taken many years for gender wage (in-)equality to make it onto the political agenda, and political institutions such as the EU pledged pay transparency regulation—but now women who are paid less than men clearly express their feelings of being treated unfairly, regardless of their age, education, and experience.

The survey data leave one crucial question open: What serves as the frame of reference—who do respondents compare themselves to? Is it same-gender referents, opposite-gender referents, employees at the firm level, employees in the occupational group in general? Moreover, although today women are more convinced that they are unfairly being paid too low, they might still ask for compensation insufficient to level out the pay gap.

The perception of pay gaps depends on the work context, namely the share of female employees in an occupational group. In many European countries, attempts are being made to rebalance typical occupational choices of men and women, specifically when it comes to the choice of study subjects in higher education. Would gender pay gaps be perceived as less unfair if occupational segregation could be reduced in the future? Based on our findings, it seems worthwhile to speculate—but there is also a widespread perception that the gender pay gap is unfair towards women, regardless of its causes. And in the end, it is this perception that may pave the way toward closing the gap in the future.

The question of fairness

**Figure 2: Effects of the share of women on the perception of income fairness**

The perception of justice depends on the share of women: the more women work in a profession, the less just they perceive their pay to be. Among male respondents, the share of women has little effect on perceptions of justice.

- **Female respondents**
- **Male respondents**

<table>
<thead>
<tr>
<th>Share of women at the occupation level (%)</th>
<th>Predicted Justice Perception</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>20</td>
<td>-0.4</td>
</tr>
<tr>
<td>40</td>
<td>-0.8</td>
</tr>
<tr>
<td>60</td>
<td>-1.0</td>
</tr>
<tr>
<td>80</td>
<td>-1.2</td>
</tr>
<tr>
<td>100</td>
<td>-1.4</td>
</tr>
</tbody>
</table>

- **Confidence Interval** (95% statistical certainty of findings)

-0.4
-0.6
-0.8
-1.0
-1.2
-1.4

0 20 40 60 80 100

---

Stefan Liebig is Professor of Empirical Social Structure Analysis at the University of Konstanz and a Principal Investigator of the Cluster.

Ole Brüggemann is a doctoral researcher at the Cluster and weekly on perceptions of inequality and the sociology of the labor market.
INSIGHTS FROM OUR RESEARCH

The skewed perception of income and social mobility in society

(L. Bellani, N. Bledow)

How do people in Germany view their own income, wealth, and opportunities compared to those of others? And how are these views related to their perception of inequality and social mobility in society at large? Luna Bellani and Nona Bledow examine the perception of many aspects of inequality and social mobility. Their ultimate aim: an “Inequality Barometer” to gauge the pressures of inequality in society and politics.

Inequality is regarded as a pressing societal problem in the public discourse in Germany—many people consider inequality to be too high. There are, however, few signs of growing protest or mobilization potential. One reason for this phenomenon could be the discrepancy between what actual inequality and social mobility indicators show and the perception of inequality. Thus, studying inequality and social mobility, we also need to explicitly examine perceptions.

This is why, together with Marius R. Busemeyer and Guido Schwerdt, we set up the “Inequality Barometer” project (learn more about the project here ➔ https://inequality.uni.kn/topics/the-inequality-barometer/). We ask people how they perceive their own situation, how high (or low) they think inequality and social mobility are in society in general, and what they would like the situation to be like. We aim to provide a clear pressure gauge of society, while simultaneously providing a comprehensive picture and taking into account as many different aspects as possible. The first wave of the Barometer was conducted in fall 2020 and collected answers from more than 6,000 respondents, with more waves to follow at regular intervals. So how is inequality in Germany perceived by the population? In the following we sketch some of our main results.

Optimism about oneself—optimism about society

First, we would like to know how people perceive their own income position. Where do they place themselves relative to others? Short answer: in the middle. Poorer people tend to overestimate their position, thinking they are richer relative to others than they actually are. Richer people, on the other hand, severely underestimate their relative income. For poor people especially, this may mean that they are not so easily mobilized to support redistributive policies, even though they would stand to gain most from them. Moreover, poor people who tend to view their own situation more optimistically also perceive less inequality in society at large (see figure 1). Among the rich respondents with median incomes and above, the reverse does not seem to be true, though.

Figure 1: Income biases and perceived inequality. Misperception of the respondents’ own income (income bias) in ten-percent steps (deciles).

- Respondents below median income
- Respondents at or above median income

Luna Bellani is an economist and a research group leader and principal investigator at the Cluster. She works on comparative political economy and the welfare state.

Nona Bledow is a doctoral researcher at the Cluster. She works on comparative political economy and the welfare state.
We see a similar trend in people’s perception of social mobility. We asked people if they believe that the majority of children born in families belonging to the poorest 20% will be able to move upward as adults. On average, those who believe that children from poor families have a good chance to do better than their parents are also the ones who are most over-optimistic about their own income position. Once again, this “optimism link” can be found for the poor, but not for people at median-plus income levels.

Comparing views on inequality and social mobility, people are consistent in their optimism or pessimism here as well: the bigger they think the gap between the rich and the poor is, the smaller they believe the chances of upward mobility to be. This is quite clear for income inequality and even clearer for perceived wealth inequality (see figure 2).

Perceived personal circumstances and normative beliefs
It seems that perceptions of one’s own position and views about inequality in society as a whole are related. There is more: it further appears that the perception of one’s personal situation is also related to one’s normative beliefs about inequality in society. We asked the participants in our survey: Are income differences in society legitimate, because they reflect what people have made of their opportunities? People who agree can be said to hold egalitarian beliefs: they think that (a certain degree) of inequality in society is acceptable and that higher incomes are deserved. People with egalitarian beliefs disagree with that notion. They believe that income differences do not justly reflect what people did with the chances they had. They either are skeptical about an underlying equality of opportunity or think existing inequality is not legitimate for other reasons. We find that those who underestimate their relative income are more likely to hold egalitarian beliefs. They are also more likely to affirm the question whether income differences are too big.

Personal experience of social mobility works similarly. Those respondents who feel they are better off compared to their parents are much more likely to agree that existing differences in income are justified. Apparently, there is a strong link between the way people perceive their personal situation and their normative views.

One of the most striking takeaways, at least to us, is the divide between perceptions of the respondents’ personal situation, as opposed to the situation of society at large and normative views: while a large majority is convinced that there are severe problems with inequality and social mobility in Germany, their perception of their personal situation compared to others is far more mellow. Most people think they are in the middle—suggesting that their personal experience is not one of great inequality. This might be one reason why pressures for social change are not higher: most people simply do not experience inequality in their daily life as strongly as it objectively is. A second important takeaway is the relation between people’s normative beliefs and how they perceive their own situation: the more optimistic people are, the less likely they are to hold egalitarian beliefs.
Infamously, the German education system is among those international observers know for their inequalities. Children from non-academic backgrounds are much less likely to obtain the national university entrance qualification (Abitur) or to go to university than children of university-educated parents. As we watch the news, we see decision-making positions filled almost exclusively by people with a university degree—people with lower-level educational credentials are rare among policymakers and generally less politically active than those with higher learning.

In our research project, we are interested in how young people perceive these kinds of inequalities and how their perceptions impact their involvement in school and in the political arena. Very little is known about this—even though socialization researchers point to the importance of adolescence as a formative phase during the life course: Adolescents begin to develop an interest in politics and society beyond their immediate family and school environments, they begin to define their place in society, and they start to form basic (political) attitudes. That is why we want to know: Are secondary school students already aware of the socio-economic inequalities that exist among them? Do they already suspect that educational opportunities, for example, are distributed unequally? If so, how do they view such inequalities? And what is their response: resignation or additional academic effort and political involvement?

A giant data collection project that comes with quite a few challenges! Where to recruit all the students to complete the questionnaires? How to convince schools and teachers to provide precious classroom time for this activity? And how exactly do you break down a complex concept such as “perceptions of inequality” into specific survey items?
“We might be getting a first taste of the issues that will be important to today’s youth in the coming decades.”

Nadja Will is a researcher at the “PerFair” Cluster project.

Methodological challenges
But how to collect data on these perceptions of inequality? In our project, we are pursuing a dual strategy. We use elements commonly implemented in adult surveys, simplify some of these questions, and develop many new questions. In addition, we use small survey experiments known as “vignettes”. These vignettes present fictitious adolescents with different qualities and ask respondents to rate the likely future prospects of these made-up individuals. Unlike direct questions, such vignettes allow us to also capture perceptions that may only be unconsciously present in students’ minds, or that they would be hesitant to admit to.

To test whether students understand the questions in the way we hope they will, we conducted a number of so-called cognitive pre-tests in June. In these pre-tests, students completed parts of the questionnaire. Then we analyzed how they understood certain words, questions, or charts by asking them specific questions about them. This step was very illuminating for us: After months of theorizing about our questionnaires, we could finally see the students’ actual reactions and approaches to them. Based on these pre-tests, we revised the entire questionnaire in a major project workshop, which for the first time was allowed to be held face to face. What a relief!

In December, the revised questionnaire is scheduled to be implemented at eight schools as a pilot study. Our goal is not just to collect data but also to test the data collection practice itself. How will participants respond to the issue? Will communication and scheduling with the schools work out well? How long will it take to complete the questionnaire in the classroom?

Challenges in field access
Even if everything works out fine at these eight schools—how can we go on and recruit 3,000 students in 200 classes for the main survey? Access to the schools in Germany is strictly regulated and must be approved by the relevant state ministry of education. Six months before the scheduled launch date, the questionnaires must be ready and in perfect shape—after all, we are competing for classroom time with other major studies such as PISA and NEPS. Moreover, schools still have a lot of catching up to do because of the pandemic. But it seems we have convinced the ministries of education to grant us access to the schools (at least for the pilot study). This means we have already cleared a key hurdle.

But even with the ministries’ permission and support, participation in the survey is still optional for the schools. This means additional challenges for us, given that both students and teachers already have full schedules organizing their daily school activities. Implementing the survey takes about three hours—a time slot not easily available in any class schedule. For us, this means there is a lot of work to do convincing schools, teachers, parents, and students to get involved in our project. Therefore, an appealing cover letter and an informative flyer were must-haves. Moreover, we offer participants the opportunity to learn about the outcomes of their efforts. For example, we offer to give presentations at their school or to design a learning module. We will shortly see whether our research interest and these materials will convince enough schools, teachers, parents, and students to participate in our study. Exciting times lie ahead of PerFair! /
Looking at the neighbors: Why most people feel middle class (K. Payne)

Most people describe themselves as “middle class.” This is true in Germany, in the US, and in many other economically advanced countries. When they rate their incomes or wealth compared to other people, most rate themselves as about average. This sounds intuitively reasonable, because most people really are average on most things. But when it comes to income or wealth, these perceptions are wildly inaccurate. Income and wealth are distributed extremely unevenly, with most people on the lower end of the spectrum, and a few extremely rich people at the top. So why do people consistently misperceive where they stand?

Psychologist Joshua Jackson and I recently conducted a series of studies to understand the middle class illusion. We started with two well-established psychological phenomena. The first is that people judge their economic standing mainly by comparing to others. If I compare myself to a millionaire, I will feel poorer. But if I compare myself to a pauper, I will feel rich. And yet, people do not compare themselves to just anyone. Most people compare themselves to others who are like them. Rich people compare mostly to other rich people, and as a result feel about average. Poor people compare mostly to poor people, and again, feel about average.

Comparing to similar peers tends to push everyone toward perceiving themselves as in the middle.

A second phenomenon is insensitivity to large numbers. Although everyone understands that a billion is more than a thousand, people have a hard time comprehending just how vastly the difference is. The larger the number is, the more people underestimate its true magnitude. Suppose that although I usually compare myself to similar peers, occasionally I compare myself to a billionaire like Jeff Bezos. A single comparison to a billionaire would make me feel extremely poor—if I truly understood the scale of that difference. But if people are insensitive to large numbers, comparing to Mr. Bezos might not be all that different from comparing to my neighbor with the slightly nicer house. Insensitivity to large numbers will tend to make people feel closer to average than they really are.

To test these psychological factors, we conducted an experiment with a sample of 500 US participants who were selected to reflect the general US population on household income, political affiliation, and ethnicity. Participants were randomly assigned one of three possible bonus amounts for completing the study (low, medium, or high). The bonuses were described as “points” which could be exchanged for money at the end of the study. To measure subjective perceptions, we asked participants to rate their bonuses on a scale from “very low” to “very high” after viewing what bonuses other participants had received.

As expected, participants’ ratings were influenced by their comparisons. When they compared to others who made less, participants rated their own bonuses as higher; but when they compared to others who made more, they rated their own bonuses as lower. However, their ratings were insensitive to large numbers. Their ratings were lower when comparing to those who made more, but they were not dramatically lower when they compared to others who made dramatically more.

We also manipulated the similarity of the social comparisons participants made. One group of subjects saw bonus values from the entire range of bonuses. The other group saw a narrow range of bonuses similar to their own. As expected, we found that subjective incomes tracked actual incomes only when participants compared themselves to the entire range of others. Comparison with similar counterparts, in contrast, made most people feel “average.”

One reason that this middle class illusion is important is that people often base decisions not on their objective self-interests but on perceived self-interests. When perceived self-interests don’t align with actual economic self-interests, people often make choices that don’t serve their interests well. To test whether this was the case for perceived income, we examined data from a large, nationally representative study of US attitudes, the General Social Survey. We reasoned that people who feel poorer than average would be more likely to oppose policies to help the poor and instead favor policies that reduce taxes on the wealthy.

Why most people feel richer than average would be more likely to oppose policies to help the poor and instead favor policies that reduce taxes on the wealthy. We analyzed how participants self-rated incomes (on a scale from far below average to far above average) predicted their support for a range of policies about taxes and government benefits to the poor. We statistically controlled for actual income, so that ratings of perceived income reflected solely how rich or poor people perceived themselves to be, regardless of the reality. We found that those who felt richer than average supported cutting taxes and reducing government benefits, but those who felt poorer than average supported the opposite.

Many economic models suggest that when inequality gets very high, people will realize that a wealthy few have much more than the majority of ordinary people, and will choose policies to reduce inequality. But the fact that most people feel their income is “average” means that half of the population always feels richer than average. This perceptual illusion poses a barrier to keeping inequality in check.

Our research suggests a way to reduce this middle class illusion. Increasing people’s understanding of how incomes are distributed, and their place in that distribution, may allow people to form more accurate perceptions. One way to increase awareness is through education and science communication to help the public understand the true scale of economic inequality. Another way is to encourage opportunities for contact between people who are economically different from each other. This might improve people’s ability to make decisions about policies based on a more accurate understanding of their economic self-interests.

Real incomes are highly skewed, with most people on the low end and a few very rich people at the top. Yet most people feel “middle class,” and about half of the population always feels richer than average. Our research sheds light on the psychology behind this middle class illusion.

Most people describe themselves as “middle class.” This is true in Germany, in the US, and in many other economically advanced countries. When they rate their incomes or wealth compared to other people, most rate themselves as about average. This sounds intuitively reasonable, because most people really are average on most things. But when it comes to income or wealth, these perceptions are wildly inaccurate. Income and wealth are distributed extremely unevenly, with most people on the lower end of the spectrum, and a few extremely rich people at the top. So why do people consistently misperceive where they stand?
The “one percent” is increasingly seen as an important point of debate in discussions on rising inequalities. But how do one-percenters themselves perceive their own income? Katharina Hecht has interviewed top earners to find out.

Fairness of incomes, inequality, and the idea of meritocracy are among the topics that have been widely debated over the past years. Thomas Piketty’s bestseller “Capital in the 21st Century” raised awareness of economic inequality in the public consciousness. In Germany, the SARS-CoV-2 pandemic exacerbated frustration about the low pay for nurses and essential workers, including supermarket cashiers, whose work is vital for our society. At the other end of the scale, the high pay of the top 1 percent of income earners has been discussed as part of a rising inequality. How do top income earners who are extremely well-paid perceive high incomes in their industry? Do they view top incomes as fair?

To answer this question, I interviewed people in the United Kingdom with incomes that place them within the top one percent of the distribution. Most of these 30 top income earners were men, lived in London and worked in the financial industry. They worked in firms such as investment banks, hedge funds, and barristers’ chambers.
He also expressed that he “loved this notion of meritocracy... this idea that the only thing that mattered was whether you were good at what you did and the fact that people were constantly going to be evaluating you... I loved that.” Further, to Alistair, being paid based on market performance makes people “feel like” they “earned that.”

In this view, being paid a share of the profits of the investment bank justifies top incomes.

“Performance pay is important for perceptions of inequality...”

He also expressed that he “loved this notion of meritocracy... this idea that the only thing that mattered was whether you were good at what you did and the fact that people were constantly going to be evaluating you... I loved that.” Further, to Alistair, being paid based on market performance makes people “feel like” they “earned that.”

In this view, being paid a share of the profits of the investment bank justifies top incomes.

“Performance pay is important for perceptions of inequality...”

He also expressed that he “loved this notion of meritocracy... this idea that the only thing that mattered was whether you were good at what you did and the fact that people were constantly going to be evaluating you... I loved that.” Further, to Alistair, being paid based on market performance makes people “feel like” they “earned that.”

In this view, being paid a share of the profits of the investment bank justifies top incomes.

“Performance pay is important for perceptions of inequality...”

He also expressed that he “loved this notion of meritocracy... this idea that the only thing that mattered was whether you were good at what you did and the fact that people were constantly going to be evaluating you... I loved that.” Further, to Alistair, being paid based on market performance makes people “feel like” they “earned that.”

In this view, being paid a share of the profits of the investment bank justifies top incomes.

“Performance pay is important for perceptions of inequality...”

He also expressed that he “loved this notion of meritocracy... this idea that the only thing that mattered was whether you were good at what you did and the fact that people were constantly going to be evaluating you... I loved that.” Further, to Alistair, being paid based on market performance makes people “feel like” they “earned that.”

In this view, being paid a share of the profits of the investment bank justifies top incomes.

“Performance pay is important for perceptions of inequality...”

He also expressed that he “loved this notion of meritocracy... this idea that the only thing that mattered was whether you were good at what you did and the fact that people were constantly going to be evaluating you... I loved that.” Further, to Alistair, being paid based on market performance makes people “feel like” they “earned that.”

In this view, being paid a share of the profits of the investment bank justifies top incomes.

“Performance pay is important for perceptions of inequality...”

He also expressed that he “loved this notion of meritocracy... this idea that the only thing that mattered was whether you were good at what you did and the fact that people were constantly going to be evaluating you... I loved that.” Further, to Alistair, being paid based on market performance makes people “feel like” they “earned that.”

In this view, being paid a share of the profits of the investment bank justifies top incomes.

“Performance pay is important for perceptions of inequality...”

He also expressed that he “loved this notion of meritocracy... this idea that the only thing that mattered was whether you were good at what you did and the fact that people were constantly going to be evaluating you... I loved that.” Further, to Alistair, being paid based on market performance makes people “feel like” they “earned that.”

In this view, being paid a share of the profits of the investment bank justifies top incomes.

“Performance pay is important for perceptions of inequality...”

He also expressed that he “loved this notion of meritocracy... this idea that the only thing that mattered was whether you were good at what you did and the fact that people were constantly going to be evaluating you... I loved that.” Further, to Alistair, being paid based on market performance makes people “feel like” they “earned that.”

In this view, being paid a share of the profits of the investment bank justifies top incomes.

“Performance pay is important for perceptions of inequality...”

He also expressed that he “loved this notion of meritocracy... this idea that the only thing that mattered was whether you were good at what you did and the fact that people were constantly going to be evaluating you... I loved that.” Further, to Alistair, being paid based on market performance makes people “feel like” they “earned that.”

In this view, being paid a share of the profits of the investment bank justifies top incomes.
Social reflexivists did not see market outcomes as necessarily just and considered broader evaluative criteria including social justice and fairness. Jonathan, a hedge fund manager, who was very much interested in sociology and was curious to hear more about my research, said he had an annual income of approximately £15 million. He explained that he can “earn a stupid amount of money and no one complains because my clients are very happy as well cause I’m making them lots of money.” However, he would prefer top income shares to “be chopped in half” because:

the market evaluates one’s contribution (i.e. one’s performance), any income difference—no matter the magnitude—is justified. Therefore, economic evaluators, like the financial managers and hedge fund managers cited above, talked about market outcomes as deserved and were not concerned about inequality.

Evaluating performance pay on social criteria:

A minority view

While economic evaluators viewed performance pay as justifying any difference in incomes as long as it is based on economic contribution, a minority of “social evaluators” applied a broader, social set of evaluative criteria. They were social reflexivists, concerned about inequality. They questioned evaluative practices based on money as a metric of worth and raised concerns about the scale of top incomes compared to other incomes. These interviewees engaged in self-critique. They questioned their own “value” with comparison to the much larger “social contribution” of others. Margaret, a young finance professional, deliberated:

“Something I find very hard to reconcile is how much more I get paid from a fireman or a nurse or a doctor; they clearly do something that’s much more important, in my perspective, my value order. [My income] could pay for seven teachers! Why do these people get paid so little, and people like me get paid so much? Is it right? And therefore, does the government have a role in equalizing that? I certainly don’t think I’m worth £40 grand, that’s the truth.” Margaret

Margaret juxtaposed her income with others whom she views as having more socially valuable occupations. Social reflexivists like her were concerned about inequality and argued that top income shares should be lower.

K. Hecht

Katharina Hecht is a Postdoctoral Researcher at the Cluster and a Visiting Fellow at the International Inequalities Institute, London School of Economics.

“Did you feel like you had earned that? Yes, you did.”

Jonathan, like other social evaluators in the sample, did not view top incomes as fair. Therefore he advocated for higher taxation for people like himself.

This research with top income earners has implications for society. If we seek to address inequality, we must consider how pay—including at the top—is set. We have to seriously address questions like: What do we see as “earned”? What criteria do we apply when evaluating people’s contribution? Performance pay is narrowly focused on economic criteria. Other researchers have shown that performance pay can increase inequality. I found that performance pay legitimates economic inequality as meritocratically deserved—at least in the eyes of the top 1 percent. /
When are inequalities perceived as a problem? How do these perceptions influence political participation? How does policy affect structural inequalities? Join us at In_equality Conference 2022 to discuss these questions and more!

→ www.inequality-conference.de
NOTES

Remote access to SOEP data: Research infrastructure at the Cluster
Since the end of 2019, the Cluster has been offering remote access from the University of Konstanz to data from the Socio-Economic Panel (SOEP). In this way, Konstanz researchers can access SOEP microdata directly from the Cluster building, using a secure connection. (More information → https://www.exc.uni-konstanz.de/en/inequality/research/methods-hub/research-data/soep-remote-access/).

Here two Konstanz researchers report how they are using this infrastructure:

“…how xenophobic attitudes affect the integration of refugees in Germany. Support for the AfD serves us as an indicator for individual attitudes. We use the random assignment of asylum seekers in Germany as a quasi-experiment. For this purpose, it was extremely helpful to have access to the data provided by the SOEP at the municipality level directly at the Cluster. After all, voting behavior, but also integration within a district can differ from municipality to municipality. The arrangements, including importing the data from Berlin and using the Secure Data Room itself, worked out great. I’m already looking forward to coming back for revisions of my project (and possibly another project or two in the future).”
/ Pia Schilling, 16 July 2021

“For our project about the consequences of television for society, me and my co-author Manuel Hoffmann are making use of the SOEP’s county-level data. Back in the late 1980s, households in some regions were connected to private TV via terrestrial frequencies, while others were not. For our ‘natural experiment,’ SOEP’s information on the living region of participants, allowing us to precisely identify households with or without access to private TV, is sensitive. So for years, we were sending countless e-mails and taking personal trips to Berlin. Thanks to the Cluster’s Secure Data Room with its remote access, and the generous support offered by Thomas Wöhler in particular, we will now be able to finalize our first paper much more quickly. Not to mention a spin-off project that we are already working on—on location, in the Cluster’s secure data room.”
/ Adrian Chadi, 26 July 2021

HEADLINES

Claudia Diehl
IBR24live: “Endet die Solidarität bei der Impfbereitschaft?” (Bayrischer Rundfunk and ARD Alpha, 12 August 2021)

Florian Kunze
Podcast: “Homeoffice: Muss ich jemals wieder ins Büro fahren?” by Tina Zeinlinger and Jan Goldner (WirtschaftsWoche, 10 August 2021)

Daniel Thym
“Am Ziel vorbei,” by Andrea Dernbach (Tagesspiegel, 06 August 2021)

Friedrich Breyer
“Grenzen der gesetzlichen Rente” (ARD-alpha, 20 July 2021)

Katrin Schmelz
“Empfehlungen zur Steigerung der Impfbereitschaft”, with Ralf Krauter (Deutschlandfunk, 15 June 2021)

Wolfgang Seibel
“Wenn man beim Test nicht mal den Ausweis zeigen muss,” with Julius Steucke (Deutschlandfunk Kultur, 31 May 2021)

Marius R. Busemeyer
“German voters’ view of personal wealth causes problems for the left,” by Philip Oltermann (The Guardian, 26 May 2021)

Thomas Hinz
“Eine Million Teilnehmer,” by Jan-Martin Wiarda (jmwiarda.de, 04 May 2021)

Sebastian Koos
“Zapp”: “’Querdenken’-Demos: Gewalt gegen Journalist*innen” (NDR, 21 April 2021)

Daniel Thym
“Am Ziel vorbei,” by Andrea Dernbach (Tagesspiegel, 06 August 2021)

Friedrich Breyer
“Grenzen der gesetzlichen Rente” (ARD-alpha, 20 July 2021)

Katrin Schmelz
“Empfehlungen zur Steigerung der Impfbereitschaft”, with Ralf Krauter (Deutschlandfunk, 15 June 2021)

Wolfgang Seibel
“Wenn man beim Test nicht mal den Ausweis zeigen muss,” with Julius Steucke (Deutschlandfunk Kultur, 31 May 2021)

Marius R. Busemeyer
“German voters’ view of personal wealth causes problems for the left,” by Philip Oltermann (The Guardian, 26 May 2021)

Thomas Hinz
“Eine Million Teilnehmer,” by Jan-Martin Wiarda (jmwiarda.de, 04 May 2021)

Sebastian Koos
“Zapp”: “’Querdenken’-Demos: Gewalt gegen Journalist*innen” (NDR, 21 April 2021)
ARRIVALS
New Cluster members and PIs (April – October 2021)

Ankush Asri
Postdoctoral Researcher, Cluster project: “Agents of Social Change? The Intangible Benefits of Female Social Entrepreneurs”

Viola Asri
PI, Cluster project: “Agents of Social Change? The Intangible Benefits of Female Social Entrepreneurs”

Nils-Christian Bornmann
External Senior Fellow

Valentina Consiglio
Doctoral Researcher, Cluster project: “Politics of Labor Market Inequality and Occupational Mobility”

Caspar Dohmen
Journalist-in-Residence

Alice de Waal
Postdoctoral Research Fellow, Zukunftskolleg and Cluster project: “The Politics of Labor Market Inequality and Occupational Mobility”

Ingrid Espinoza
Doctoral Researcher, Cluster project: “Inequality Barometer”

Laurin Friedrich
Doctoral Researcher, Cluster project: “Inequality Barometer”

Aina Gallego
External Senior Fellow

Katrín Schmelz
Affiliated Researcher

Nanna Lauritz Schönhage
Postdoctoral Researcher, Cluster project: “Inequality Barometer”

Gabriele Spilker
PI, Professor of International Politics – Global Inequality

Maj-Britt Sterba
Postdoctoral Researcher, Cluster project: “Political Elites and Inequality: Information, Heuristics and Policy”

Sophia Stutzmann
Independent Doctoral Fellow

Jana Mayer
Doctoral Researcher, Cluster project: “Administrative Inequality: The Case of Foreign Nationals in Germany”

Lisa Mende
Doctoral Researcher, Cluster project: “Administrative Inequality Handling Requests for German Citizenship”

Matteo Pioletto
Postdoctoral Researcher, Cluster project: “COVID-19 Policies for Gender Equality”

Tamara Rathoke
PI, Cluster project: “Perceptions of Political Charisma in Low-Status Speakers”

Sergio Zanotto
Independent Doctoral Fellow

Anne Zunftmeister-Mertke
Managing Office, Event Management


History has shown: in the aftermath of major crises, windows of opportunity may open that make the seemingly impossible possible. Radical ideas suddenly seem much less radical; social order is being disrupted and renegotiated. “Crises,” as German president Frank-Walter Steinmeier put it in September 2018, roughly a year before the coronavirus pandemic hit, “have always shaped the course of history.”

According to Walter Scheidel, a historian at Princeton University, this is also true of the history of inequality, a topic he explored in a nearly 700-page book ranging from Ancient Egypt and the Middle Ages to the present day. His main hypothesis is that in normal times, inequality is self-reinforcing, as it were: the rich get richer, the gap in incomes and wealth grows wider. Historically, the only forces to significantly reduce inequality have been four “Horsemen of the Apocalypse”: warfare, revolutions, state collapse, and—this last one being what makes his book so unexpectedly timely—sweeping pandemics.

Of course, when Scheidel finished his book in 2018, he could not know that a once-in-a-century pandemic was about to paralyze social, cultural, and economic life only a short while later. Moreover, he rightly points out that historical analysis is of limited use when it comes to deriving predictions for the future. And yet, the question naturally arises: does the coronavirus pandemic also offer an opportunity to put more robust checks on rising inequality? Will the crisis even go down in history as “the great leveler,” as Scheidel called his book?

There is nothing like a major catastrophe to change the way people perceive economic inequality. In the coronavirus crisis, this may also have political consequences.
He discusses two mechanisms through which major catastrophes may counteract economic inequality. The first is directly related to death and destruction: as factories and homes are bombed to the ground in times of war, wealth is being destroyed. Everyone loses, but large wealth owners lose most. Medieval plague epidemics are another example. In those years, so many people lost their lives that the feudal lords had a hard time finding workers. With wages doubling or tripling, landowners saw their profits drop sharply. As a result, inequality declined, albeit in a terrible manner that no one would wish for.

This direct way of leveling inequality through death and destruction cannot be observed in the ongoing coronavirus crisis. On the contrary, the pandemic has been particularly devastating for low- and middle-income groups in many countries. The truly rich, on the other hand, saw their wealth increase further. According to a Boston Consulting Group study, the club of the extremely rich—individuals whose personal wealth exceeds $100 million—expanded in 2020, with 6,000 new people joining this group, which now consists of 60,000 persons. The stock market boom in particular has poured even more money into their coffers. A recent Oxfam report revealed that the ten richest individuals alone have earned more money since the beginning of the pandemic than it would cost to pay for a COVID-19 vaccine for every person on earth.

This mechanism of leveling inequality through crisis is clearly not at work in times of COVID-19. But Scheidel offers examples of a second, more complex mechanism, according to which crises may change people’s perceptions of inequality and trigger political transformations. World War II is a good example. Many people had to make tremendous sacrifices, fought as soldiers, were forcefully displaced, or lost their property. Those who were still wealthy after the war were considered lucky or wartime profiteers; their wealth was perceived as unfair. As a consequence, post-war governments often introduced high levies on wealth, such as the 1952 “Lastenausgleich” law in Germany, which involved a 50 percent tax on total wealth to be paid in installments. As Moritz Schularick, an economist at the University of Bonn, concludes, that program made Germany “one of the most egalitarian countries in the early phase of the post-war economic boom.”

The coronavirus crisis, this much can be said already, has also changed the way economic inequality is perceived. Criticism of the fact that vast shares of wealth are concentrated in the hands of a small minority is no longer coming just from leftists and social democrats. Calls for “reconsidering the privileges of the wealthy” have also been voiced by the Financial Times. And even the International Monetary Fund, traditionally the epitome of neoliberal thought, warns against rising inequality in the world, calling for a tax on wealth to make the rich help pay for the costs of the coronavirus crisis. “During the pandemic,” as German weekly DIE ZEIT summed up the situation, “economic thinking the world over is shifting to the left.”

To be sure, a similar effect could already be observed in the wake of the last global crisis, the financial crisis of 2008/2009. The fact that banks were bailed out with taxpayer money although they had helped cause the crisis was perceived as deeply unfair by many people. The whole idea of barely regulated markets in which inequality was viewed as an acceptable, possibly even necessary prerequisite for growth and prosperity became much less appealing. The Occupy Wall Street movement emerged, loudly protesting against the power of banks and massive economic inequality. Their motto, “we are the 99 percent,” was aimed directly at the extremely rich.

Yet, for all this discontent, surprisingly little has changed. Sweeping reforms did not come, the Occupy movement disappeared as quickly as it arrived, and inequality kept growing. Popular outrage failed to translate into major political consequences.

First, the transformative potential of the coronavirus crisis can draw on a much stronger background than the financial crisis of 2008/2009. “COVID-19 may now be the straw that breaks the camel’s back.” Such a thought is not far from the minds of economists like Gabriel Zucman, and have already been built into the platforms of politicians such as Bernie Sanders or Elizabeth Warren. COVID-19 may now be the straw that breaks the camel’s back. After the financial crisis, it was mostly young activists who demanded that the richest one percent should pay for the crisis; today, US president Joe Biden numbers among the proponents of that idea.

A second difference is that the Occupy movement’s demands were so unspecific that it was difficult for lawmakers to pick them up and transform them into policy. Today, progress has been made in that respect as well. Highly specific proposals are now available, for instance from UC Berkeley economist Gabriel Zucman, and have already been built into the platforms of the political left. Whether or not their time has come will arguably also depend on how long the pandemic will last—and how much damage will be done in the end. Here’s Walter Scheidel’s takeaway from his research: the more severe and persistent the crisis, the higher the likelihood of true change.
New perspectives on our research using Augmented Reality!

Um mehr zu sehen, einfach die kostenlose App "Artivive" auf ein mobiles Ende laden und damit die Seite scannen.

Neue Perspektiven auf unsere Forschung mit Augmented Reality!