Inequality, Competition, and Status Anxiety.

Extending the Spirit-Level Theory

Jan Delhey, Christian Schneickert & Leonie Steckermeier
The great U-turn

“In recent decades, as much as 40% of the population at the lower end of the distribution has benefited little from economic growth in many countries. In some cases, low earners have even seen their incomes fall in real terms (Figure 1.2). Just as with the rise of the 1%, the decline of the 40% raises social and political questions. When such a large group in the population gains so little from economic growth, the social fabric frays and trust in institutions is weakened.” (OECD 2011)
From income inequality to social ills

Income inequality

\[ \downarrow \]

Status anxiety

\{ 
- Fear of (negative) evaluation & comparison
- Feeling of lacking appreciation from others
- Feeling of being looked down on
\}

Social ills

Distrust
Mental illness
Obesity

Insufficiently conceptualized
Not measured
Examining the Spirit Level

- How much status anxiety is there?
- Does status anxiety affect everybody equally? (individual level)
- Does income inequality have an impact on status anxiety? (context level)
  - Income inequality leads to competition which fosters status anxiety
    → Too mechanical, missing sociological link
- Alternatively: Does the competitiveness of a society impact status anxiety?
Extending the Spirit Level: degree of competition

Experience seeking (Schulze)
- Increasing orientation towards consumption and experience
- Development from outward to inward orientation

The more people in a given society strive to maximize positive emotions, personal wellbeing and enjoyment the less prone its population is to status anxiety.

Life styles and status competition (Bourdieu)
- Increasing importance of cultural over economic capital in the struggle for distinction
- Cultural spheres become main arenas of class struggles

The more important cultural capital becomes for the distinction of life styles in a given society the more prone its population is to status anxiety.

Dampening Status Anxiety

Strengthening Status Anxiety
Data and Method

• European Quality of Life Survey, Wave 3, 2011-2012
• 30 European countries (EU-28 + Iceland + Turkey) [Gdp>15,000]
• More than 30,000 respondents
• Two items to measure status anxiety
• Rich on individual-level determinants
• Multilevel analysis
Measuring status anxiety

Please tell me whether you strongly agree, agree, neither agree or disagree, disagree or strongly disagree ...

• I feel that the value of what I do is not recognised by others

• Some people look down on me because of my job situation or income
How much status anxiety is there?

15%

86,780,372 people in Europe suffer from strong status anxiety.
How much status anxiety is there?

<table>
<thead>
<tr>
<th>Country</th>
<th>Mean index score (0-100)</th>
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<tbody>
<tr>
<td>Denmark</td>
<td>15</td>
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<tr>
<td>Germany</td>
<td>18</td>
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<td>Spain</td>
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<td>Austria</td>
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<td>Hungary</td>
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<td>Turkey</td>
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<td>Finland</td>
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<td>Slovakia</td>
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<td>Ireland</td>
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<td>Luxembourg</td>
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<td>Poland</td>
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<tr>
<td>Romania</td>
<td>36</td>
</tr>
</tbody>
</table>

Map shows the distribution of status anxiety across European countries, with countries color-coded from low to high status anxiety.
Does status anxiety affect everybody equally?

Labor Market Participation

Income
(Reference: Lowest income quartile)

Material Deprivation

(Unstandardized b-coefficients; only p<0.05)
Does (income) inequality have an impact on status anxiety? [MLA]

(Two-level-model; each context effect was tested individually and in combination with Gdp)
And what about competition?

**Experience Society Index**
- Inward orientation

**Snob-Index**
- Distinction by culture

**Status Anxiety**
Happiness

Taking all things together on a scale of 1 to 10, how happy would you say you are?

Self development

What I do in life is worthwhile. I am free to decide how to live my life.

Material condition

Deprivation

Variation explained by Self-development ($R^2$)

Variation explained by Material condition ($R^2$)
Highbrow culture
Attendance of ballet & opera, concerts, theatres, museums & galleries

Cultural capital
Education
Engagement in creative activities

Economic capital
Class fractions by occupation

The Snob Index

Variation explained by Cultural Capital ($R^2$)
Variation explained by Economic Capital ($R^2$)
How competition affects status anxiety

Total difference in status anxiety between lowest and highest scoring country

**Experience Society Index**
- Romania: 12.7
- Austria: 12.7

**Snob Index**
- Spain: 13.5
- Czech Republic: 13.5

Total difference in status anxiety between lowest and highest scoring country

**ESI**
- 15.9

**SI**
- 19.7

**GDP**
- 4.6
- 11.7

**GINI**
- 0.6
- 11.9

(Two-level-model; each context effect was tested individually and in combination with GDP & GINI)
Conclusion

• Status anxiety is quantifiable

• Status anxiety is strongly related to material deprivation & labor market participation

• It’s not affluence (in line with W&P)

• But it’s not income inequality either (contra W&P)

• Socio-cultural approaches are better suited to capture the competitive character of a society than conventional inequality measures

• Both the inward-orientation of the experience society or distinction by cultural capital rather than economical capital impact the level of status anxiety in European societies
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