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GDN/CERGE-EI Research Project RRC12+31

Project title: Convergence in attitudes to inequality between post-socialist countries and market economies

Non-Technical Summary:

This study examines how attitudes to inequality have changed in post-socialist countries compared to market economies in an era of rising income inequality. In the past twenty years European post-socialist countries have become more similar to EU15 countries in terms of institutional structure, economic development and in levels of income inequality. Did attitudes and opinions about inequality and redistribution also become more similar? A change in societal attitudes might come about by a general shift of attitudes of the population, but it might also come about by younger cohorts with different attitudes replacing older generations. This study thus explores whether attitudinal convergence has taken place and if yes, by which of these two mechanisms. This study looks at differences in attitudes to inequality between post-socialist countries and market economies using comparative repeated cross-section data from World Values Survey carried out between 1990 and 2009. Multilevel models and regression models with country fixed effects are used to control for individual-level and macro-level independent variables.

The study shows that in general increases in inequality have a statistically significant effect on the discontent with the level of inequality: when inequality is on the rise, the agreement with the statement that “inequalities are too large” increases. The effect of inequality is relatively small however: it takes a huge increase in inequality (10-point increase in the Gini)

to achieve an important increase in the discontent with inequalities. The analysis also shows that during the 1990-2010 period of rising inequality, attitudes in post-socialist countries did converge to attitudes in market economies. This convergence was not only the result of these societies becoming more similar to market economies in societal composition and country-level context (GDP level, inequality level), since attitudinal convergence can be seen also after controlling for these factors. Moreover, the convergence in attitudes can be seen in different income groups and also in different cohorts with the exception of the youngest cohort, born after 1979. This result suggests, that the main driving force behind convergence is the change of attitudes in all segments of the society. Convergence by generational replacement seems less important, since there is no sign of persistent attitudinal differences that would only disappear with the disappearance of cohorts carrying the “legacy of socialism”.

Keywords: evaluation of income inequality, comparative analysis, post-socialist transition, birth cohorts