#2855-ASR 71:3 filename:71305-Osberg

"Fair" Inequality? Attitudes toward Pay Differentials: The United States in Comparative Perspective

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Are American attitudes toward economic inequality different from those in other countries? One tradition in sociology suggests American "exceptionalism," while another argues for convergence across nations in social norms, such as attitudes toward inequality. This article uses International Social Survey Program (ISSP) microdata to compare attitudes in different countries toward what individuals in specific occupations "do earn" and what they "should earn," and to distinguish value preferences for more egalitarian outcomes from other confounding attitudes and perceptions. The authors suggest a method for summarizing individual preferences for the leveling of earnings and use kernel density estimates to describe and compare the distribution of individual preferences over time and cross-nationally. They find that subjective estimates of inequality in pay diverge substantially from actual data, and that although Americans do not, on the average, have different preferences for aggregate (in)equality, there is evidence for:

1. *Less awareness concerning the extent of inequality at the top of the income distribution in America*
2. More polarization *in attitudes among Americans*
3. Similar preferences *for "leveling down" at the top of the earnings distribution in the United States, but also*
4. Less concern *for reducing differentials at the bottom of the distribution.*

Are American attitudes toward economic inequality different from those found elsewhere, and if so, in what ways? It is widely recognized that economic inequality in the United States is greater than in other affluent industrialized nations, and that federal and state governments in the U.S. do less to reduce the inequality of economic outcomes than do the governments of other countries.[1] One hypothesis is that this is what Americans want – that Americans have different attitudes toward inequality and redistribution than do the citizens of other countries, and that government (in)action therefore reflects the preferences of the electorate.[2] However, Kelley and Evans (1993), Kerr (1983), Kluegel, Mason, and

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[1] For a detailed discussion see Osberg, Smeeding, and Schwabish (2004), Smeeding (2005), and the references therein. Förster and d'Ercole (2005) provide recent international comparisons of inequality.

[2] In the economics literature, Alesina and Angeletos (2005), Alesina, Di Tella, and MacCulloch (2001), Alesina and La Ferrara (2001), Bénabou and Tirole (forthcoming), Glaeser (2005), and Piketty

Wegener (1995a), and Wilensky (2002) are among those who have argued the alternative hypothesis: that Americans are not particularly different from the citizens of other affluent industrialized nations in social preferences for economic equity and the reduction of economic inequality. If so, then the explanation for differences in economic, social, and policy outcomes may perhaps be found in American attitudes toward government as an agent of distributional change or in differences in the institutional structure of American politics. But the prior question is whether, or how, American attitudes toward economic inequality differ from attitudes elsewhere.

An international comparison of American attitudes toward economic inequality faces, however, three important challenges:

1. Distinguishing attitudes toward inequality of economic outcomes from beliefs about process equity or inequality of opportunity
2. Clarifying what respondents may understand the meaning of "economic inequality" to be
3. Summarizing the distribution of attitudes toward economic inequality in the population.

Historically, discussion of "American exceptionalism" (e.g. Lipset, 1996) often has emphasized a presumed American belief in the ideology of mobility and opportunity, a refrain that recently has been reiterated by a number of authors in economics (e.g., Bénabou and Tirole, forthcoming). This article starts by reviewing briefly some of the sociology literature on these topics and by examining simple summary statistics on American attitudes toward inequality of outcomes and the evidence for a presumed greater American belief in the prevalence of equality of opportunity. Using the International Social Survey Program (ISSP)[3] surveys of public opinion, we find little evidence for American exceptionalism in average attitudes.

However, "inequality" can be interpreted in terms of income *ratios* or income *shares*. Individuals' value-based attitudes toward inequality (i.e., how much inequality respondents think would be "fair") also are conditioned on their personal cognitive estimates of the extent of inequality (i.e., how much inequality individuals believe actually exists). This article begins, therefore, by discussing the conceptualization of "inequality." It argues that the battery of ISSP questions on what individuals in specific occupations "do earn" and what they "should earn" offer a particularly focused way of distinguishing between individual value preferences for more egalitarian outcomes and other confounding attitudes and perceptions. Average attitudes toward aggregate inequality, as summarized by the Gini index of "should earn" inequality from the ISSP data, indicate that the United States is not particularly different from other nations. To find differences between the United States and other nations in attitudes toward inequality of pay one must therefore probe deeper and examine both attitudes toward inequality in different parts of the income distribution and the range of individuals' attitudes toward inequality.

Because a seemingly simple summary term such as "inequality" melds together perceptions of income differences between the top and the middle of the income distribution, attitudes toward the gap between the middle classes and the poor, and preferences for a general leveling of pay, this article disaggregates inequality across the distribution. It examines average national perceptions of the maximum and minimum that people "should earn" and "do earn" and finds some evidence that American respondents are, on average, particularly likely to underestimate the extent of top-end inequality.

Furthermore, people disagree—sometimes quite vehemently—about inequality. The ongoing political debates on inequality within countries provide direct evidence of heterogeneity in attitudes toward inequality. However, these internal disagreements are obscured when international comparisons rely on average or median scores to summarize cross-national differences. This article therefore uses kernel density methods to describe graphically the distribution of individual preferences for equality

(1995) have discussed possible differences in attitudes toward inequality in the United States, often in the context of presumed differences in attitudes toward economic mobility. This literature typically makes no reference to the International Social Justice Project or other sociological research that directly examines attitudes. For example, Kelley and Evans (1993) and Kluegel et al. (1995b) cannot be found in the bibliography of any of the aforementioned papers.

[3] Since 1983 the International Social Survey Program (ISSP) has coordinated the design of cross-national surveys covering a variety of social science topics. Full details are available at http://www.gesis.org/en/data_service/issp/.

in different countries, and shows that an important difference between the United States and other countries is the bimodal distribution of American preferences for leveling.

Although it is hard to find support for the hypothesis of systematically different preferences, on the average, for aggregate (in)equality in the United States, there is evidence for

1. *Greater underestimation* of the size of top-end income differences in the United States
2. *More polarization* in attitudes among Americans (which is consistent with recent United States' voting behavior and opinion polling)
3. *Similar* preferences for "leveling down" at the top of the earnings distribution (as in other countries), but
4. *Less* concern for "leveling up" at the bottom of the distribution than in other nations.

These findings are consistent with American trends in political and social polarization, and may have significant practical implications. Glaeser, Ponzetto, and Shapiro (2004) are representative of a recent political economy literature which argues that "strategic extremism" by political actors (who must compete both in effective mobilization of their own base of support and in attracting support from their opponents) may produce polarization in policy positions and attitudes. Although the same median or average attitudinal score could be produced in a society with a tightly compacted unimodal distribution of attitudes, or one with a polarized or bimodal distribution of attitudes, political dynamics are likely to be quite different in these two situations. Majority rule in a bimodal society means that the polity will be governed by whatever extreme can (perhaps temporarily) tempt the median voter to its side (Iversen and Soskice, 2005). The article therefore closes with a discussion of the implications of a change in distribution of attitudes for economic inequality in the United States.

EXCEPTIONALISM OR CONVERGENCE IN ATTITUDES TOWARD INEQUALITY?

The intellectual background for this article is the long-standing debate about the "exceptionalism" of the United States as compared with other affluent, capitalist countries. Popular and scholarly writers have, for at least 125 years, wondered why the political process in every affluent capitalist nation except the United States has produced significant socialist or social democratic parties that have had the reduction of socioeconomic inequalities as their major objective. Why has the United States been different? Authors such as Lipset (1996) and, earlier, Lipset and Bendix (1959) have argued that the difference lies in distinctively American beliefs about, and the reality of, greater socioeconomic mobility. Belief in the promise of future success, either for oneself or one's children, is said to dominate any discontent with present inequalities, to a uniquely American degree. Many political scientists concur (e.g., Iversen and Soskice, 2005), and Esping-Andersen (1990) has documented the enduring differences in the welfare state regimes of advanced capitalist nations.

However, the United States is not alone in thinking of itself as "a special case." Comparative historians have noted that national myths, in essentially every country, are almost always based on some presumption of "uniqueness," and they also have noted that presumed national virtues may bear little relation to statistical evidence.[4] A functionalist perspective (e.g. Parsons, 1960) would argue that there are strong reasons to expect that affluent capitalist societies will have fundamentally similar attitudes toward authority, inherited privilege, and economic inequality, given the common structural imperatives of a market economy and a democratic polity, together with common pressures from technological change, increasing trade, and the globalization of economic and cultural life. Inkeles (1998), Kerr (1983), and Wilensky (2002) have argued from the sociology side that there is a convergence of welfare states, including attitudes and values.

Furthermore, there is general agreement that the United States is not, in fact, a particularly mobile society. Sociologists have a long history of comparative studies investigating social class and occupational mobility (e.g., Breen and Jonsson 2005; Erikson and Goldthorpe 1985, 1992, 2002; Grusky and Hauser, 1984) which conclude that whether income or occu-

[4] See, for example, the review essays on "American Exceptionalism" in which Nelles (1997), Koschmann (1997) and Nolan (1997) compare Lipset's claims for American exceptionalism with Canadian, Japanese, and German assertions of cultural uniqueness.

pation are used as an index of social status, the United States is not an exceptionally fluid society, as compared with other nations (see Björklund and Jäntti 2000, for both economic and sociological perspectives). As Jantti et al. (2005:2) have recently concluded, "the sociological approaches, such as that based on class mobility, suggest that the United States is fairly unexceptional (Erikson and Goldthorpe 1992, 2002). The economics literature, based on correlation or regression coefficients, suggests that the United States may, indeed, be exceptional, not in having *more* mobility, but in having *less* (Solon 2002), a finding that our results with respect to intergenerational earnings mobility support." Miles Corak (2004:9) similarly concluded that "the United States and Britain appear to stand out as the least mobile societies among those rich countries under study. The Nordic countries and Canada seem to be the most mobile societies. Germany resembles the United States and the United Kingdom more closely than it does the other countries." Finally, Entorf and Minoiu (2004), Erikson et al. (2005), and Woessmann (2004) have examined educational opportunities for children from different family backgrounds in western European countries, the United Kingdom, and the United States. Woessman (2004:22) concluded that "the results of this paper are generally in line with the broad pattern of the existing cross-country evidence on intergenerational earnings mobility, which found that the United States and the United Kingdom appear to be relatively immobile societies."

All this evidence on actual comparisons of intergenerational socioeconomic mobility does not preclude the possibility that *beliefs* in future mobility might preempt discontent with current inequality, although it might seem to make it less likely. But the crucial prior question is whether or not Americans actually differ from other nationalities in their attitudes toward inequality.

A seemingly straightforward way to find out whether people in different countries have different attitudes toward economic inequality is to ask them directly. Table 1 reports the responses in 27 countries to the ISSP 1999 survey module on Social Inequality when individuals were asked the seemingly simple question: "In (your country), are income differences too large?" It is noteworthy that clear majorities in all countries either "agree" or "strongly agree" with this statement (there was particularly strong agreement in the transition economies of the former Soviet Bloc). Although the United States had a higher percentage that "strongly disagreed" with the statement than in most other nations, this represented only 3.2 percent of the respondents. Indeed, in all countries, there are extremely few people who "strongly disagree" with this statement. One message of Table 1 is, therefore, the ubiquity of a generalized preference for "greater equality." Although respondents in some countries are notably more emphatic in saying they "strongly agree" that income differences are too large (e.g., France with 60.3 percent), several countries had less emphatic preferences for equality than the United States (25 percent), for example, Australia (17.8 percent) and Germany (20.5).[5]

Do the data support a distinction between an "old Europe" (which may emphasize greater equalization of outcomes because of a greater belief that there is inequality of opportunity) and a "new America" (which may believe that equality of opportunity exists, so equalization of outcomes is less imperative)? When respondents in different countries were asked what characteristics were necessary to "get ahead in life," their perceptions of "equality of opportunity" can perhaps be gauged partly by whether they thought "knowing the right people" was important. Coded responses ranged from 1 (essential) to 5 (not important at all). On this item, the United States' 1999 score (2.58) was at the "fairly necessary" end of the spectrum. "Knowing the right people" was seen in the United States as slightly less essential than in Canada (2.55), similar to the view in the Philippines (2.58), but considered to be slightly more essential than in France (2.62) or the United Kingdom (2.65). American attitudes averaged 2.65 in 1992 and 2.61 in 1987. That is, "knowing the right people" became seen as even more "essential" over this period. Interestingly, in their subjective perception of greater barriers to mobility than in Western Europe, American respondents were in agreement with recent literature on intergenerational

[5] The 1992 and 1987 ISSP surveys cover fewer countries, but with the same conclusion. See Osberg and Smeeding (2006).

Table 1. Attitudes to Inequality: Are Income Differences Too Large? (1999)

Country	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree	Total
Bulgaria	84.0	12.8	1.4	.8	1.0	100
Portugal	82.3	13.8	1.7	1.4	.9	100
Russia	79.5	16.0	2.2	1.2	1.1	100
Slovakia	73.9	19.8	4.6	1.2	.6	100
Hungary	67.2	25.9	3.5	3.1	.4	100
Czech Republic	60.3	27.5	6.0	4.2	2.1	100
France	60.3	27.2	7.4	4.5	.7	100
Latvia	57.2	39.5	1.8	1.3	.2	100
Israel	53.9	36.0	3.9	5.5	.8	100
Slovenia	49.7	41.3	4.8	3.6	.6	100
Poland	46.8	42.3	6.2	3.9	.8	100
Germany East	45.0	48.6	4.4	2.0	—	100
Chile	42.8	49.4	3.4	4.4	.1	100
Austria	40.4	45.8	9.1	4.7	—	100
Japan	38.6	30.5	18.3	7.5	5.0	100
Spain	35.9	53.4	7.4	3.1	.3	100
Great Britain	31.7	50.6	11.6	5.4	.6	100
New Zealand	29.4	43.8	13.5	11.8	1.6	100
Sweden	29.2	41.9	18.1	8.4	2.4	100
Canada	28.1	42.5	15.7	11.2	2.6	100
United States	25.0	41.2	21.5	9.2	3.2	100
Norway	22.4	50.1	13.8	12.0	1.8	100
Philippines	22.3	43.1	16.9	14.6	3.3	100
Germany West	20.5	55.2	14.3	9.1	.9	100
Australia	17.8	53.1	17.1	11.6	.4	100
North Ireland	17.4	52.1	21.4	8.4	.7	100
Cyprus	12.2	53.4	21.8	12.5	.1	100

Source: ISSP 1999

income mobility (see references in Section 1 earlier).[6]

Table 2 also probes rationalizations for inequality. Columns 2 and 3 report the population average responses on a scale ranging from 1 (strongly agree) to 5 (strongly disagree) for respondents' evaluation of statements such as "inequality continues to exist because it benefits the rich and the powerful" and "large differences in income are necessary for [R country's] prosperity." A cell value such as 2.5 on the "benefits the rich" question can be read as saying that, on the average, a country's population is about evenly split between "agree" and "neither agree nor disagree." This particular question is a fairly strongly worded item that may tap into latent class antagonisms, particularly the perception of capitalism as a rigged game and "unfairness" as the underlying explanation for inequality. Apparently, many people buy this idea, at least somewhat, in all the countries surveyed. For 1999, the average responses of Americans (2.64) are bracketed by those of Hungarians (2.58) and Filipinos (2.67).[7]

[6] In responses to an item in the 1992 and 1987 ISSP asking whether "having well-educated parents" is important for getting ahead in life, the average score in the United States (2.72, 2.76) and Italy (2.78, 2.8) were similarly situated in the range between 2 (very important) and 3 (fairly important), ascribing somewhat more importance to well-educated parents than in Germany (2.99, 2.8) or Austria (2.95, 2.69). In 1992, Canadians averaged 2.97 on this item, whereas Swedes averaged 3.16 and Norwegians averaged 3.48 (i.e., significantly closer to "not very important" [4]). This item was not asked in 1999.

[7] The 1999 U.S. survey is an outlier, taken near the peak of the stock market and information technology bubbles and at a time when unemployment was at its lowest level for a generation. The comparable 1992 value for the United States "benefits the rich"

Table 2. Opinions about Inequality (1999)

	Knowing the right people—how important is that for getting ahead in life?[a]	Inequality continues to exist because it benefits the rich and powerful.[b]	Large income differences are necessary for a a country's prosperity.[b]
Cyprus	1.90	2.56	3.87
Slovakia	2.01	2.20	4.18
Poland	2.06	2.09	3.35
Austria	2.09	2.21	3.76
Bulgaria	2.16	2.01	4.12
Israel	2.18	2.40	3.34
Germany East	2.19	1.98	3.49
Russia	2.22	1.93	4.05
Spain	2.27	2.09	3.33
Slovenia	2.32	2.13	3.61
Latvia	2.34	2.03	3.76
Chile	2.41	2.12	2.91
Germany West	2.41	2.23	3.22
Portugal	2.41	1.83	3.59
Sweden	2.45	2.42	3.41
Czech Republic	2.46	2.36	3.70
Canada	2.55	2.38	3.65
Philippines	2.58	2.67	2.62
United States	2.58	2.64	3.19
France	2.62	1.91	3.74
Great Britain	2.65	2.42	3.48
Hungary	2.67	2.58	3.93
Australia	2.73	2.35	3.33
New Zealand	2.77	2.45	3.54
North Ireland	2.80	2.50	3.45
Norway	2.83	2.29	3.50
Japan	3.21	2.08	3.30

Source: The International Social Survey Programme.

[a] Coded as: 1 (essential) to 5 (not important at all).

[b] Coded as 1 (strongly agree) to 5 (strongly disagree).

Objectively, as Burtless and Jencks (2003) and Osberg, Smeeding, and Schwabish (2004) noted, there is no good evidence that more inequality produces more of any good thing, especially economic and social prosperity. However, political trends depend on the *subjective* assessments by citizens of the rationale for inequality. Presumably, even if greater inequality is undesirable in itself, one might accept it as a "necessary evil," a price that must be paid if society as a whole desires prosperity. Do the citizens of modern capitalist nations, on the average, buy into this rationale for inequality? Column 3 of Table 2 reports average responses to the item proposing that "large differences in income are necessary for [R country's] prosperity." An average response such as 3.19 can be read as equivalent to about one fifth of Americans being on the "disagree" end of the range between "neither agree nor disagree" (3) and "disagree" (4). It is notable that in 1999 the differences between the United States (3.19) and West Germany (3.22) were minimal.[8] (In both the United States and the United Kingdom there was a noticeable trend over time toward greater percentages of the population disagreeing with this "instrumental" rationale for inequality.)

item was 2.51. It remains to be seen whether 1999 is a blip or a true structural break.

[8] With relatively large sample sizes, country differences in means generally pass a test of statistical significance, even if the empirical difference is not large (i.e., one often can be statistically sure of a socially insignificant difference).

As Osberg and Smeeding (2006) have documented in greater detail, the ISSP asks about attitudes toward social inequality in a number of overlapping ways. The key point is that the United States is *not* a clear outlier when mean responses are compared across nations (see also Kelley and Evans 1993; Kluegel et al. 1995a; Suhrcke 2001:8; and Svallfors 1997). When Americans and Europeans are asked whether a good education, ambition, natural ability, or hard work enable an individual to "get ahead in life," evidence of an attitudinal difference between the average respondent in the United States and those in other nations is hard to find. If it were true that Americans tolerate more inequality of outcomes because they believe there is more equality of opportunity in the United States, then one would expect to find a tendency for Americans to ascribe more importance to personal characteristics for "getting ahead" than is the case elsewhere. But, on the average, other countries are sometimes higher and sometimes lower than the United States in the importance their citizens ascribe, on the average, to individual personal characteristics.

CONCEPTUAL AMBIGUITIES IN THE MEANING OF "INEQUALITY"

However, although there may not be much difference in average responses to summative questions, what do survey respondents mean to say when they answer general questions about "inequality" or the fairness of "income differences"?

One way to fix ideas about attitudes toward inequality of outcomes is to suppose, by contrast, that an individual believed he or she lived in a just society.[9] In this case, such a person would believe that the actual earnings (Y_i^A) of all persons (both him- or herself personally and all other individuals) are equal to what they should earn (Y_i^*). Equation 1 summarizes the idea that people should earn what they do earn.

$$Y_i^* = Y_i^A \quad (1)$$

Some people may have an idea of minimum adequacy in a just society, that is, a lower bound (Y^*_{min}) on incomes, or what Smith (1776[1961]:339) referred to as "those things which the established rules of decency have rendered necessary to the lowest rank of people." Equation 2 expresses this idea.

$$Y_i^A > Y^*_{min} \quad (2)$$

Furthermore, some individuals may have the idea that it would be socially excessive if any individual's actual income exceeded some upper bound (Y^*_{max}), as expressed in Equation 3.

$$Y_i^A < Y^*_{max} \quad (3)$$

A just society could therefore be summarized as one that satisfies Equations 1 to 3, and that can therefore be described in graphic terms as having a distribution of earnings resembling the 45-degree line in Figure 1. Up to this point, the vocabulary does not exclude any of the possible belief sets about an ethically acceptable distribution of earnings. The beliefs of a complete egalitarian can, for example, be summarized as constraining Equations 2 and 3 such that $Y^*_{max} = Y^*_{min}$, in which case the line collapses to a single point, and there is a single answer to the twin questions "What should I receive?" and "What should other people get?" Alternatively, some people might believe that there should be no upper limit on ethically acceptable incomes. If so, Equation 3 loses any empirical content because Y^*_{max} is infinitely large. Alternatively, if one thinks there should be no lower limit to earnings, that amounts to specifying, in the terms of Equation 2, that $Y^*_{min} = 0$.

In the ISSP data, very few people say they believe in completely equal earnings.[10] Aside from such complete egalitarianism, all belief systems about ethically acceptable earnings inequality share the property that if a person believes he or she lives in a just society, and if that person is asked to estimate the relationship between what other people "do earn" (Y_i^A)

[9] A huge and fascinating literature on procedural justice (e.g., Molm, Takahashi, and Peterson, 2003) invariably finds that "process matters" for fairness judgments. But in this article, we focus on the perceived equity of outcomes.

[10] The ratios of egalitarians to respondents in the 1987, 1992, and 1999 Social Inequality waves of the ISSP in the United States were, respectively, 7/1165, 6/1132, and 2/988. Among the 35,656 respondents in all surveys in all countries, only 212 (0.59 percent) replied that all individuals should have the same wage.

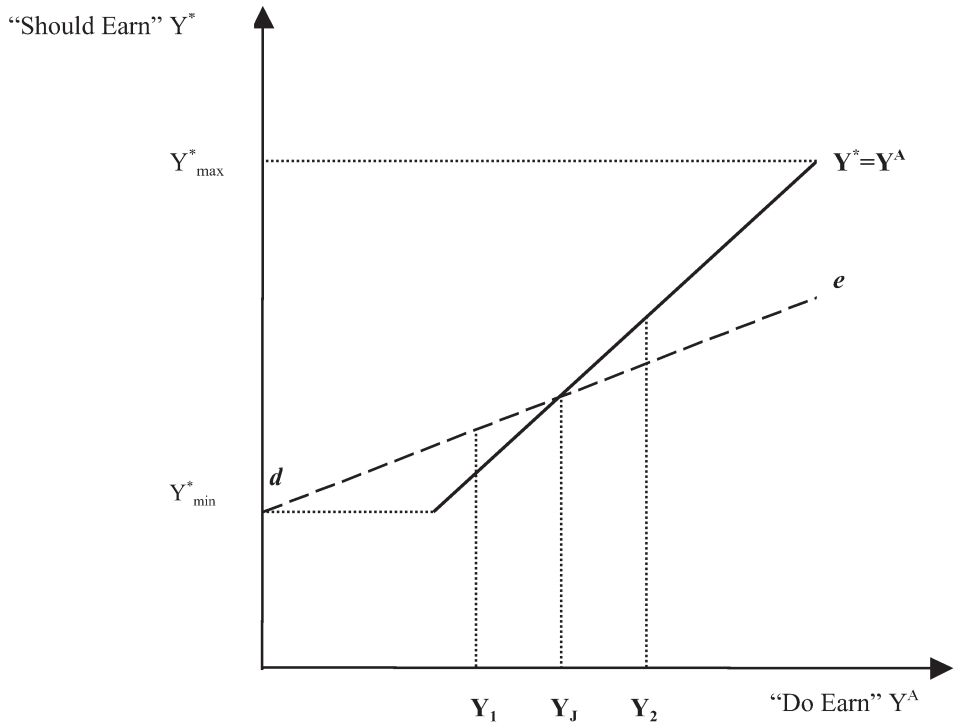

Figure 1. "Fair Pay" and Actual Earnings

and what they "should earn" (Y_i*), a regression of the form of Equation 4 would yield the result that $b_0 = 0$ and $b_1 = 1$.

$$Y_i^* = b_0 + b_1 Y_i^A \quad (4)$$

As it happens (see later), some people appear to believe, at least approximately, that the earnings distribution is fair (i.e., there is a fraction of the population whose personal estimates imply $b_0 = 0$ and $b_1 = 1$)[11], and in Figure 1, the 45-degree line expresses this general idea that "should earn" equals "do earn" ($Y_i^A = Y_i^*$). However, in all countries, many people do not share this belief. An individual's belief that there is systematic inequity in earnings can be thought of as the belief that some people get "too much" ($Y_i^A > Y_i^*$) while others get "too little" ($Y_i^A < Y_i^*$). In graphic terms, such a perception of inequity can be represented as the line *de* in Figure 1, whose slope ($b_1 < 1$) can be taken as indicative of an individual's desire for "leveling" of the earnings distribution, within their view of the acceptable range of incomes.[12]

In the remainder of this article, we adopt the convention of referring to b_1 as an estimate of

[11] This could be because individuals rationalize the current reality of their society ("what is ought to be") or because reality fits their prior social justice values ("what ought to be is"). For current purposes, we do not need to distinguish between reasons *why* $b_1 = 1$. Note that this article focuses on the individuals' evaluation of the fairness of the distribution of economic rewards *among others* and does not address the determinants of any personal dissatisfaction that individuals may have with their own rewards.

[12] Note that the line segment *de* is drawn with a positive intercept b_0. If some people get "too much" while others get "too little," one must expect $b_0 > 0$ and $b_1 < 1$. Jasso (1978, 1980) expressed the "justice evaluation" (JE) of an outcome as JE = ln (actual earnings/just earnings) which, in terms of the current discussion, implicitly assumes that $b_0 = 0$ and $b_1 < 1$ and implies that "just" incomes are *always* less than actual incomes. The "Jasso ratio" is equal to the antilog of b_1 under the assumption that $b_0 = 0$. See Alwin 1987; Shepelak and Alwin (1986); Alwin (1987); Wegener and Steinmann, (1995:156); Younts and Mueller (2001.

individual "preferences for leveling," which can be estimated, for any given person, across that person's responses identifying "should earn" pay (Y_i*) and "do earn" pay (Y_i^A) in a set of occupations. However, Equations 2 to 4 also can be read as indicating that three numbers are needed to express the degree of a person's egalitarian preferences:

1. The ethical floor to minimum earnings (i.e., Y^*_{min})
2. The ethical ceiling to maximum earnings (i.e., Y^*_{max})
3. The desired degree of leveling relative to the current income distribution, among "acceptable" incomes (i.e., b_1).

A person with a belief system summarized graphically by line segment *de* would perceive that someone at income Y_1 "should earn" more than he or she "does earn" (i.e., $Y_1^* > Y_1^A$, which implies a gap between actual and fair incomes for people at the bottom of the distribution with an actual income such as Y_1^A). Graphically, because "should earn" is more than "does earn," the line *de* is plotted as lying above the 45-degree line at that point.

In Figure 1, one can call income level Y_j the "just desserts" income because "should earn" equals "do earn" income ($Y_j^* = Y_j^A$). Graphically, the line *de* intersects the 45-degree line (which expresses the general idea that "should earn" equals "do earn") at income Y_j. If the relationship between "should earn" (Y_i*) and "do earn" (Y_i^A) is linear, as in Equation 4, the point of intersection, or the "just desserts" income, can be calculated as equal to $b_0/(1 - b_1)$.

On the other hand, in Figure 1, an individual making more than Y_j^A (i.e., at an earnings level such as Y_2^A) is someone who, according to belief system *de,* earns "too much" income ($Y_2^* < Y_2^A$). Graphically, because "should earn" is less than "do earn" at income level Y_2^A, the line *de* lies below the 45-degree line. In practical terms, income level Y_2^A also could be seen as a social problem of excess that might possibly be solved by taxation.

However, the question of *how much* society should tax or spend, *in aggregate,* cannot be addressed by Figure 1, because it contains no information about the percentage of the population that is at each level of actual income. Without information as to the population density of Y_i^A, one cannot know what the income *shares* of rich and poor are, or what aggregate volume of taxes and transfers is required to give effect to a given belief system, or whether that set of taxes and transfers is feasible.[13]

When survey respondents use the term "inequality," they might mean to describe the *income ratios* of individuals, or they might mean the *income shares* of groups in a population. So far, this section of the article has been examining "economic inequality" in the sense of "differences between individuals in economic outcomes."

However, if individuals are to evaluate inequality in the "distribution of income shares within a population" sense, they must estimate both *income ratios* and *how many* people have particular levels of income (i.e., they must estimate *f[y],* the relative frequency of different levels of income). A good deal of evidence exists to show that survey respondents do not accurately estimate the proportion of the population with particular incomes. For example, Kluegel et al. (1995a:201) have reported that subjective estimates of the perceived frequency of "middle class" incomes depend heavily on the respondent's own socioeconomic position. Evans and Kelley (2004) also noted that there is a tendency for survey respondents to place themselves "in the middle" of the income distribution. The problem for empirical work is that asking people about their attitudes toward income shares implicitly requires respondents to estimate both income ratios and the relative size of population groups, whereas asking only about their attitudes toward income ratios makes much smaller informational demands.[14]

In this regard, a fascinating series of questions in the ISSP rounds of 1999, 1992, and 1987 dis-

[13] Note that the political and ethical attitudes of individuals are only in a very vague sense constrained by actual budgetary feasibility, and that a different belief system, as represented by different values of b_0 and b_1, may identify differing income levels as defining "deprivation" or excessive rewards (see Section 1 of the Online Supplement on the *ASR* Web site: http://www2.asanet.org/journals/asr/2006/toc051.html.)

[14] In general, if y_i is a person's income, and if the person's characteristics are described by a vector X_i, and the returns to those characteristics are summarized in the vector β with the unexplained component u_i, where $E(u_i) = 0$, then one can write individual income as $y_i = X_i \beta + u_i$. The frequency distribution *f(y)* and any inequality statistics calculated from it

tinguished between subjective empirical estimates of inequality and the ethical evaluations that people may have of those perceptions. Respondents were first asked to estimate what salaries people in various jobs *do actually earn,* then what persons in each occupation *should earn.* In contrast to the large literature that has analyzed the statistical data to measure objective trends in income inequality, these data enable examination of the issues that actually are more relevant to individual behavior, namely, the *subjective estimates* that individuals have of income inequality and the *subjective evaluation* of this perceived degree of inequality relative to an individual's *own* norms of "fair" income differentials.

In the 1999 ISSP questions about what specific jobs do pay and what they should pay, the jobs considered included those of skilled factory worker, doctor in general practice, chairman of a large national company, lawyer, shop assistant, owner/manager of a large factory, judge in the country's highest court, unskilled worker, and federal cabinet minister.[15] These classifications are similar to those contained in the sociological "class" literature on occupations and socioeconomic status, most recently from Erikson and Goldthorpe (2002) and Erikson et al. (2005), but taken earlier from Erikson and Goldethorpe (1985) and Hauser and Warren (1997), and later from Rose and Pevalin (2003). The occupations considered in 1992 also included owner of a small shop and farm worker, whereas the 1987 questionnaire also inquired about city bus driver, secretary, brick layer, and bank clerk (but not shop assistant or lawyer). Several countries have been in all three waves of the ISSP (notably the United States, the United Kingdom, Germany, and Australia), but others have been more episodic.

General questions about inequality can mingle empirical beliefs regarding the magnitude of income ratios, the frequency density of incomes, and the processes that determine income levels, as well as ethical evaluations of both process and outcomes. In a general discussion of inequality, participants make implicit empirical estimates of the importance of capital income for "the rich" and the processes that generated market income (e.g., discrimination or the extent of inherited wealth). They implicitly guess the size and frequency of transfer payments, and they mingle these estimates with their attitudes toward inequality of outcome and opportunity. Survey respondents' subjective awareness of the size and distribution of income sources is subject to great empirical errors, and there is much controversy in the ethical evaluation of income-generating processes.

A key advantage of using the "do earn/should earn" question format is that many of these confounding issues are held constant at the respondent level. In the ISSP data, attitudes toward what specific occupations "should earn" can be conditioned on what the individual believes they "do earn" so that individual errors in estimating actual earnings can be directly controlled for. Moreover, the "do earn/should earn" ISSP questions are clearly restricted to differences in labor market earnings of specific occupations, thereby avoiding the complex set of issues surrounding the importance and evaluation of different income sources. Respondents are not asked to consider any vignettes detailing complexities of household size, multiple earners, or other factors affecting household composition or "need" for income. The ISSP questions are phrased in terms of occupational earnings—the foundation of sociological "class" measurement as seen in Erikson et al. (2005) and Rose and Pevalin (2003)—and there is little reason for respondents to systematically impute a different age, race, disability status, number of household members, or aggregate income of other household members to any of the occupations listed. Hence, the "do earn/should earn" questions are not confounded by concern with the adequacy or excess of household consumption possibilities driven by

(e.g., the coefficient of variation or the Gini or Theil indices) depend on $f(X_i)$, β, and u_i, but inequality in the "average income ratio between types of persons" sense is only about β.

[15] Respondents also were asked about the income from their own occupations, but in this article, we exclude these data because our focus is on attitudes toward inequality in society, not perceived personal injustice. We experimented with using or not using the data on what judges and cabinet ministers "do earn" and "should earn" because we worried that these responses may mingle individual attitudes toward government with preferences for leveling in occupational rewards, but in practice, it makes no detectable difference.

number of household members, disability status, age, race, or the like. The implied context for each occupation is full-time earnings, which abstracts from the differences in income produced by variations in labor supply, unemployment, or the number of earners in a family. The ISSP data thus enable us to strip away many confounding variables to see whether we find evidence for "American exceptionalism" in attitudes toward inequality, or evidence for a broadly similar value base in affluent industrialized market economies.

One approach to the "do earn" and "should earn" data is to use the Gini index to summarize each ISSP respondent's attitudes toward inequality in pay. Specifically, in this article we calculate both (1) the respondent's estimate of the actual degree of pay inequality among the listed occupations (as summarized here by GiniA, the Gini index of inequality[16] of the respondent's estimates of "do earn" income) and (2) the respondent's perception of "fair" inequality in earnings (as summarized by GiniE, the Gini index of inequality across what occupations "should earn"). Because the occupations enumerated in the ISSP questions are a subset of all occupations, because we have no information on the respondent's estimate of the frequency of each occupation in the population, and because inequality of earnings within each occupation is not addressed, GiniA is *not* an estimate of actual inequality in the labor market as a whole. Rather, GiniA is a summary estimate of perceived pay inequality among a broad range of internationally comparable occupations. Hence, the ratio between GiniE and GiniA is, for each respondent, an indication of how much the respondent's own personal estimate of the actual degree of inequality in pay among a range of occupations diverges from his or her own estimate of "fair" inequality within this range of comparable occupations.

Table 3 presents the results for twenty seven nations, and Figure 2 plots the average values of GiniE and GiniA by country. The first column of Table 3 shows that the average perception of earnings inequality in the United States was not very different from that in Australia, New Zealand, Canada, or Germany, despite very substantial real differences in earnings inequality in these nations (Gottschalk and Smeeding, 1997, 2000). Indeed, the average subjective perception of earnings inequality in the United States was *below* the average of all countries.

In Column 2, countries are compared in terms of the average subjective perception of inequality in what people "should earn." In all countries, some level of earnings inequality is accepted as ethically justifiable, but there is a substantial range from the most egalitarian attitudes (Slovakia at 0.19 and Norway at 0.21) to the least egalitarian attitudes (Chile at 0.47 and Philippines at 0.46). The United States is right in the middle, with an average level of "should earn" inequality at about 0.35, very close to the European and all nations average of 0.34.

Column 3 of the table is the one that arguably has the most direct implications for the political process because it presents the average discrepancy between perceived *actual* and perceived *fair* outcomes, that is, the average (across persons) of the ratio between each person's estimates of "should earn" inequality (GiniE) and "do earn" inequality (GiniA). In every country, in every year, the average respondent thinks there should be less inequality than he or she thinks actually exists. The average "should earn" to "do earn" inequality ratio is always substantially less than 1. As Column 3 indicates, in 1999 the average "tension" between perceived fair earnings inequality (i.e., "should earn" inequality) and perceived actual "do earn" inequality was about 0.75. For the average American respondent, "should earn" inequality was a bit closer to "do earn" inequality than in most other nations (at 0.82), because "do earn" inequality was estimated to be lower than elsewhere.

Figure 2 depicts the data in another way, by plotting the relationship, across countries, between average perceptions of "fair inequali-

[16] In doing this calculation, the implicit assumption is an equal number of people in each occupation, which clearly is not what any respondent actually believes is empirically true, but does standardize relative population weights for occupations across all respondents. Other summary indices (e.g., coefficient of variation, Theil Index) of both "should earn" and "do earn" inequality also have been calculated—with very much the same implications—but to conserve space, are not reported here. Szirmai (1991) used Dutch data to calculate the percentage difference in the Theil Index of "should earn" and "do earn" inequality as an index of "tendency to equalize."

Table 3. Actual and Ethical Inequality - Gini 1999

	Average Gini Index of Salaries People "Do Earn" (GiniA)	Average Gini Index of Salaries People "Should Earn" (GiniE)	Average Ratio of GiniE/GiniA
Russia	.66	.39	.61
Chile	.60	.47	.79
Poland	.58	.44	.77
Latvia	.58	.41	.70
Hungary	.56	.37	.67
Czech Republic	.53	.39	.76
France*	.52	.38	.74
Philippines	.49	.46	.97
Great Britain	.49	.36	.73
Slovenia	.47	.34	.74
Japan	.46	.37	.81
Israel	.45	.36	.80
Canada	.45	.33	.76
Portugal	.45	.33	.73
United States	.43	.35	.82
New Zealand	.43	.32	.76
Germany East	.43	.32	.74
North Ireland	.42	.32	.76
Australia	.42	.31	.74
Bulgaria	.42	.28	.68
Germany West	.41	.34	.82
Austria	.41	.32	.78
Cyprus	.40	.33	.82
Sweden	.35	.22	.65
Spain*	.34	.22	.65
Norway	.30	.21	.73
Slovakia	.25	.19	.82
Average – All Nations	.46	.34	.75
Average of Europe	.47	.34	.74

Source: International Social Survey Programme.
Note: Respondents were asked what salaries people in various jobs do actually make and what they should make. (Spain and France reported "net income" but other nations asked for "Before Tax" salary) Jobs considered included skilled factory worker, doctor in general practice, chairman of a large national company, lawyer, shop assistant, owner/manager of a large factory, judge in the country's highest court, unskilled worker and federal cabinet minister. Gini Indices were calculated for each respondent if they answered more than seven jobs in both the 'do earn' and 'should earn' categories, and if the jobs answered in the 'do earn' and the 'should earn' categories were the same.

ty" in what occupations "should earn" and average perceptions of "actual inequality" in what occupations "do earn." As the regression line indicates, there is a strong correlation (R^2 = 0.78). At the margin, when average perceived actual inequality is higher, average "fair" inequality is higher by about two thirds (0.674) as much. Because a cross-sectional correlation cannot show causation, Figure 2 cannot show whether habituation to higher actual inequality produces higher norms of inequality, or whether less ethical aversion to inequality produces greater actual inequality. Nevertheless, Figure 2 does clearly indicate that the United States is not an outlier, at least in average responses. There is, therefore, little basis in the ISSP data for an argument that Americans are, on the average, more or less tolerant of earnings inequality than the citizens of other countries.[17]

[17] This similarity in attitudes toward earnings inequality occurs in the context of substantially differing levels of social transfers and public expenditures (see Osberg, Smeeding, and Schwabish 2004; Schwabish et al. forthcoming). If the issue in evaluating inequality is "inequality in consumption

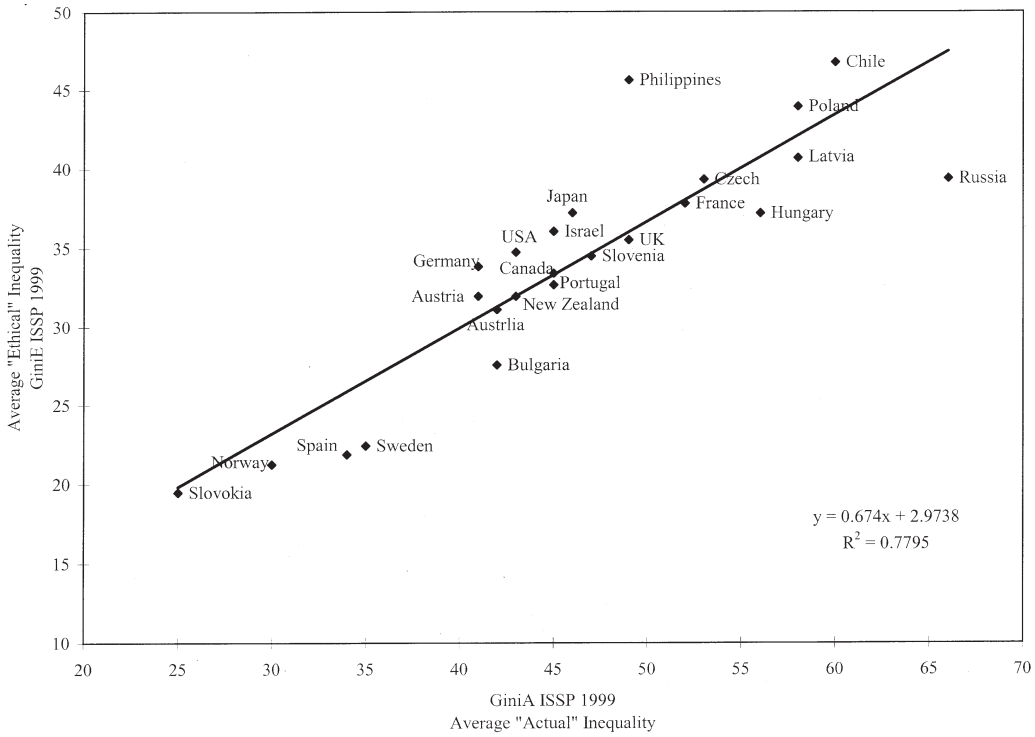

Figure 2. "Actual" and "Ethical" Inequality

However, Figure 2 presents a highly aggregated picture of attitudes, in two senses: (1) the attitudes about the inequality of all individuals within each country are averaged and (2) "inequality" is summarized by a single number— the Gini index.

PROBING DEEPER: IS IT INEQUALITY AT THE TOP OR AT THE BOTTOM THAT MATTERS MOST?

Calculation of a single summary measure of inequality (such as the Gini index) does not show directly whether individuals are, on the average, more accepting of inequalities at the top or at the bottom of the distribution.[18] In the ISSP data, there is a broad measure of concurrence across countries on which occupations "should earn" the most and which the least,[19] and the list of occupations contains an example from both the very top (chairman of a large national company) and the very bottom (unskilled worker) of the earnings distribution. But is it inequalities at the top or at the bottom that people care about the most? In this article, Equation 2 expresses the idea that individuals may believe in a minimum "should earn"

possibilities," then a higher common "social wage" implies relatively less importance for market income as a source of effective consumption, an argument that would have predicted *less* emphasis on inequality of earnings in the Scandinavian countries.

[18] Atkinson (1970) noted that comparisons of inequality in income shares using different indices of income inequality (such as the Gini ratio, the Theil Index, or the coefficient of variation) often produce ambiguous international rankings when frequency distributions of income differ such that the Lorenz curves of the cumulative distribution cross. Therefore, it is essential to specify which part of the distribution is of primary concern. It is "inequality" in this sense of the unequal shares of income in a population which is the focus of much of the economics literature, particularly that cited in Footnote 2.

[19] We have compared across countries the "should earn" and "do earn" occupational rankings, which are essentially the same in the countries examined (see also Kelley and Evans 1993).

income (Y^*_{min}), whereas Equation 3 describes the maximum "should earn" income (Y^*_{max}) estimated by each respondent.

To examine the full range of "fair inequality" in pay, the first four columns of Table 4 present data on the maximum/minimum "should earn" ratio in 1999 ISSP data for affluent, continuously capitalist countries. Columns five to eight present the maximum/mean ratio as an estimate of aversion to excess at the top. That is, for each respondent, it compares the respondent's estimate of maximum "should earn" income (Y^*_{max}) expressed as a ratio of the mean "do earn" income that he or she estimates. The last four columns attempt to get at dislike of deprivation at the bottom by presenting the mean/minimum ratio (i.e., the ratio of each respondent's average estimate of "do earn" income to their estimate of minimum "should earn" income [Y^*_{min}]). As indicators of the central tendency of the distribution of attitudes toward each issue, Table 4 presents both the mean and the median attitude, calculated across all respondents in each country.[20]

In the 1999 data, there are big differences between countries in the overall range of acceptable outcomes (e.g., the median French response for the maximum/minimum ratio was about three times the median Norwegian maximum/minimum ratio). However, these differences are driven largely by differing attitudes toward inequality at the bottom. Indeed, it is remarkable how small the cross-national differences are in ethically acceptable income ratios at the top (in 1999, the median Spaniard's maximum/mean ratio was lowest, at 1.556, whereas the median French ratio was largest, at 2.166). A look at median attitudes shows that cross-national differences are most apparent at the bottom of the distribution, where the range is from 3.487 in France to 1.667 in Norway.

Again, in these data on attitudes toward the range of inequality, there is little support for the hypothesis of "American exceptionalism" in values. The median and mean maximum/mean "should earn" ratios (i.e., the "average person's" tolerance of inequality at the top end of the distribution) show that both the 1992 and 1999 data put the United States almost exactly in the middle of the nations surveyed. However, ethical values are conditioned on what individuals believe to be the actual inequality of earnings. Even if the average American is not exceptional in what the maximum/mean ratio *should be,* he or she differs from individuals in other nations in the degree to which he or she underestimates top-end earnings.

Because the ISSP data identify specific occupations, respondents' subjective estimates of what occupations "do earn" can be compared with objective data on actual earnings. Although the objective data show a much larger, and widening, gap between average earnings and executive compensation in the United States than is characteristic in other countries, subjective (mis)perceptions of "do earn" inequality are greater in the United States, a fact likely to mute pressure for distributional change.

Table 5 indicates that the actual earnings ratio between production workers and chief executive officers (CEOs) varies between approximately 20:1 and 45:1, a ratio far greater than the subjective "do earn" estimates. In all countries, the average "do earn" estimate for manufacturing workers is remarkably close to actual data.[21] However, the subjective estimates of CEO compensation are well below objective data. The degree of CEO compensation misestimate varies widely across countries, with the average American respondent particularly likely to underestimate CEO pay.

How much do respondents think income differences should be compressed? The ISSP data show a general consensus of opinion, both within and across nations, on the rank hierarchy of occupations in both "do earn" and "should earn" income. However, although individuals gener-

[20] Table S1 presents the comparable 1992 results and Table S2 presents the 1987 data in the Online Supplement, Section 2 (*ASR* Web site: http://www2.asanet.org/journals/asr/2006/toc051.html).

[21] Some discrepancy might be expected because the Bureau of Labor Statistics (BLS) data are for "production" workers in manufacturing, whereas the ISSP asks about "skilled" workers in manufacturing. Both correspond to the "working class" occupations found in Erikson et al. (2005) and Rose and Pevalin (2003). For distribution of subjective estimates of the objective CEO/worker "do earn" pay ratio in the United States, the United Kingdom, Canada, and Germany, see Figure S2 (Section 2, Online Supplement, *ASR* Web site).

Table 4. Mean and Median "Should Earn" Ratios Across Countries: 1999 Means, Medians and Rankings (All Individuals)

	Max/Min Ratio				Max/Mean Ratio				Mean/Min Ratio			
			Country Rank				Country Rank				Country Rank	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Japan	12.3	6.5	1	3	2.3	2.0	3	4	4.5	3.1	1	5
France	11.6	7.5	2	1	2.3	2.2	1	1	4.4	3.5	2	1
United Kingdom	10.9	6.7	3	2	2.3	2.1	2	2	4.1	3.3	4	2
Canada	10.2	6.7	4	2	2.2	2.0	5	6	4.1	3.2	3	3
USA 1999[a]	9.7	6.7	5	2	2.1	2.0	6	7	4.0	3.2	5	4
North Ireland	8.1	5.6	6	5	2.0	1.9	10	11	3.6	3.0	6	6
Austria	8.1	5.3	7	7	2.0	1.9	8	9	3.5	2.9	7	9
New Zealand	8.0	5.6	8	6	2.0	1.9	9	10	3.5	2.9	8	10
Israel	7.8	6.0	9	4	2.2	2.1	4	3	3.3	2.9	11	8
Portugal	7.7	5.3	10	7	2.0	1.9	11	8	3.5	2.8	9	11
Germany	7.6	6.0	11	4	2.1	2.0	7	5	3.3	2.9	10	7
Australia	6.1	5.0	12	9	1.9	1.8	12	12	3.0	2.7	12	12
Sweden	4.0	2.9	13	10	1.7	1.6	13	13	2.1	1.8	13	14
Norway	3.2	2.6	14	12	1.6	1.6	14	14	1.9	1.7	14	15
Spain	3.1	2.8	15	11	1.6	1.6	15	15	1.8	1.9	15	13
United States 1992	12.6	8.0			2.4	2.2			4.6	3.6		
United States 1987	11.1	6.7			3.0	2.7			3.1	2.4		

Note: Max = maximum; Min = minimum.

Table 5. The Actual and Estimated Earnings of Chief Executive Officers and Production Workers

	Actual CEO Compensation and Pay of Production Workers in Manufacturing, 2001 (US$)			Subjective Average "Do Earn" Estimates from ISSP, 1999 (US$)		
Country	CEO Compensation	Production Worker in Manufacturing [d]	Actual CEO/Worker Pay Ratio	Estimated CEO Compensation [e]	Estimated Skilled Worker in Manufacturing [f]	Estimated CEO/Worker Pay Ratio
United States [a]	1,305,012	29,391	44	218,601	30,161	8.3
Australia [b]	649,137	19,582	33	141,987	20,556	7.3
France [b]	542,622	16,699	32	259,313	15,307	17.5
UK [a]	711,403	22,654	31	292,715	24,383	12.2
Sweden [b]	442,188	21,192	21	116,439	24,202	4.8
Canada [c]	481,651	23,436	21	250,422	27,695	9.4
Germany [a]	461,738	26,465	17	158,165	24,408	6.6

[a] Average of Total CEO Compensation from The Galt Global Review (1999) and from BBC News (2001).

[b] CEO compensation data for Australia, France & Sweden from BBC; The Galt Review (www.galtglobalreview.com/world/world_ceo_salaries.html); BBC New (http://news.bbc.co.uk/1/hi/business/1456723.stm); (www.nationalpost.com/nationalpostbusiness/archives/20021105/story.html?id=C47FA126-D194-42F1-BDD4-247D44F89560).

[c] The National Post Business Magazine's annual CEO Scorecard: Average CEO compensation of Canada's 150 biggest companies by their firms' three-year share-price return.

[d] Manufacturing Pay: *Source:* (ftp://ftp.bls.gov/pub/special.requests/ForeignLabor/supptab.txt) (Table 5); Annual Hours worked per person (www.dol.gov/ILAB/media/reports/oiea/chartbook/chart19.htm); Annual Hours worked per person in Canada (www.pbs.org/now/politics/workhours.html).

[e] In ISSP, earnings of "the chairman of a large national corporation".

[f] In ISSP, earnings of a "skilled worker in a factory".

ally agree that, for example, a doctor does make more money than a skilled worker, and should make more money, there is a lot of disagreement about how much more. The differences between individuals in their assessments of the desirable degree of "leveling" can be estimated from the ISSP microdata. Because each individual respondent reported his or her personal estimate of "should earn" (Y_i*) and "do earn" (Y_i^A) income for a number of occupations, these data can be used to estimate, for each respondent, a simple linear regression following the specification of Equation 4 in Section 1 (i.e., we estimate a regression of the form $Y_i^* = b_0 + b_1 Y_i^A$). The ratio between "should earn" (Y_i*) and "do earn" (Y_i^A) income for occupation is, at the margin, captured by the b_1 coefficient, which is taken here as an individual's preferences for the leveling of pay. For most people, b_1 is less than 1, because most respondents think that some leveling is desirable. However, attitudes toward inequality are bounded (i.e., when $b_1 = 1$) by the attitude that no leveling at all is desirable, because some respondents report that "should earn" equals "do earn."

If one thought there was less egalitarianism (in the sense of a desire for a leveling of earnings) in average American values than in other countries, then one might expect to observe a systematically higher average b_1 coefficient in the United States than elsewhere, but that is not the implication of comparing the mean and median "leveling" coefficient (b_1) estimated from the ISSP data. In the 1987 and 1999 data for the countries listed in Table 4, the median and mean b_1 coefficient in the United States was above the mean for all country years except 1992, when it was below the mean. The average rank of the United States (over all three surveys) was 16th for the median b_1 coefficient and 13th for the mean b_1 coefficient, which are very close to the middle of our set of 33 national surveys.

THE DISTRIBUTION OF DISAGREEMENTS ABOUT EQUALITY

Up to this point, national preferences and attitudes toward inequality have been summarized in terms of a measure indicating the central tendency of the distribution of attitudes within each nation (e.g., in terms of the attitudes held by the "average American" or the "median Norwegian"). Still, in every country (including these two), there is an ongoing political debate about income distribution and poverty. These debates are fairly direct evidence that people do not all agree, within nations, about inequality, and that the "median/average national attitude" can be a somewhat misleading concept, one that is particularly misleading if attitudes toward inequality are highly polarized.

If a regression of the form $Y_i^* = b_0 + b_1 Y_i^A$ is estimated on each respondent's data, those people who think the existing distribution of earnings is fair will report $Y_i^* = Y_i^A$ (i.e., "should earn" = "do earn"), implying that for them $b_1 = 1$. To the extent that respondents support the status quo, there will thus tend to be an accumulation at $b_1 = 1$ of the b_1 estimates of these "status quo" respondents. However, people who disagree with the fairness of current pay inequalities, and who think that income differences are "too large" will report "should earn" pay rates which imply $b_1 < 1$. The more strongly a respondent disagrees with the fairness of current income differences, the more leveling the respondent will prefer, and the lower will be that respondent's implied value of b_1. But all these disagreements among people are hidden if only the average or median attitude is considered.

To assess how the *distribution* of disagreement about leveling (i.e., b_1) varies across countries, a picture may be worth a thousand words. Figure 3 presents a graph showing the distribution of preferences for leveling in the United States in 1987, 1992, and 1999. It portrays the percentage of the population at each value of the b_1 coefficient, as drawn using kernel density methods, which offer a way to smooth the histogram frequency of the population at each value of the b_1 coefficient.[22] Its value lies in presenting a picture of attitudes that conveys much more information than summary statistics.

In particular, Figure 3 indicates that a notable feature of American attitudes is their bimodality. In all 3 years there is a clear spike at $b_1 = 1$, as well as a substantial number of respondents clustering around approximately $b_1 = 0.5$ (i.e., the United States is a society with *both* a significantly large group in favor of substantially

[22] See Greene (2002) or http://genstat.co.uk/doc/8doc/html/stats/KernelDensityEstimation.htm.

more equality than now exists *and* a large group that agrees with the status quo). Over time, there appears to have been a migration of attitudes among Americans, with a somewhat increased tendency to respond that "what is should be" (i.e., $b_1 = 1$) in the distribution of earnings.

Figure 4 puts the United States, the United Kingdom, France, Norway, and Canada on the same graph. It is limited to a five-country comparison because additional countries are hard to distinguish visually, but its basic story also can be told with the data of other nations. If a picture of "social cohesion" in attitudes toward

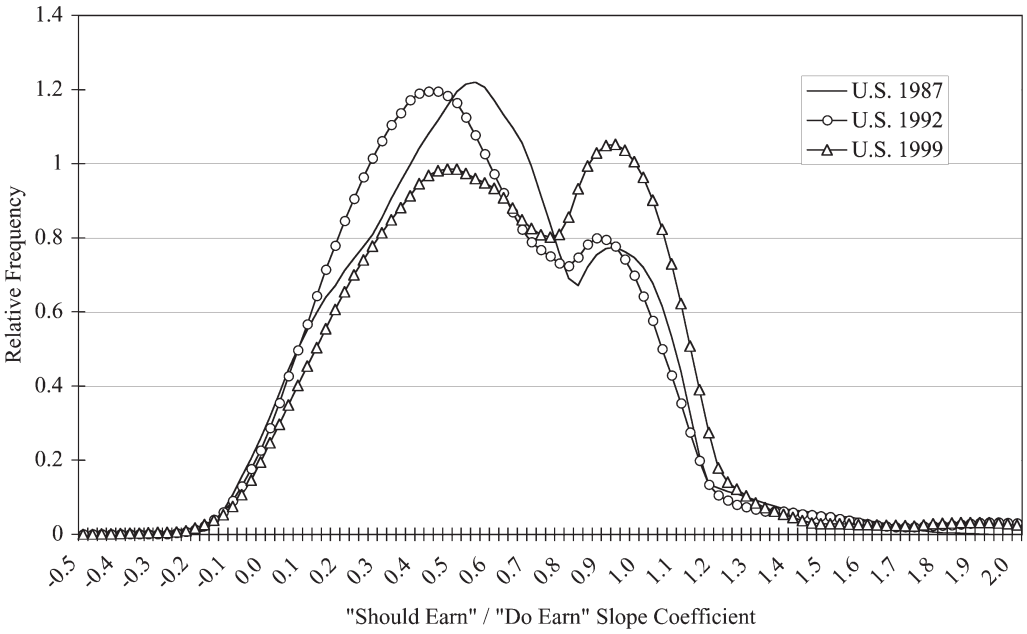

Figure 3. The Distribution of Preferences for Leveling in the United States, 1987–1999

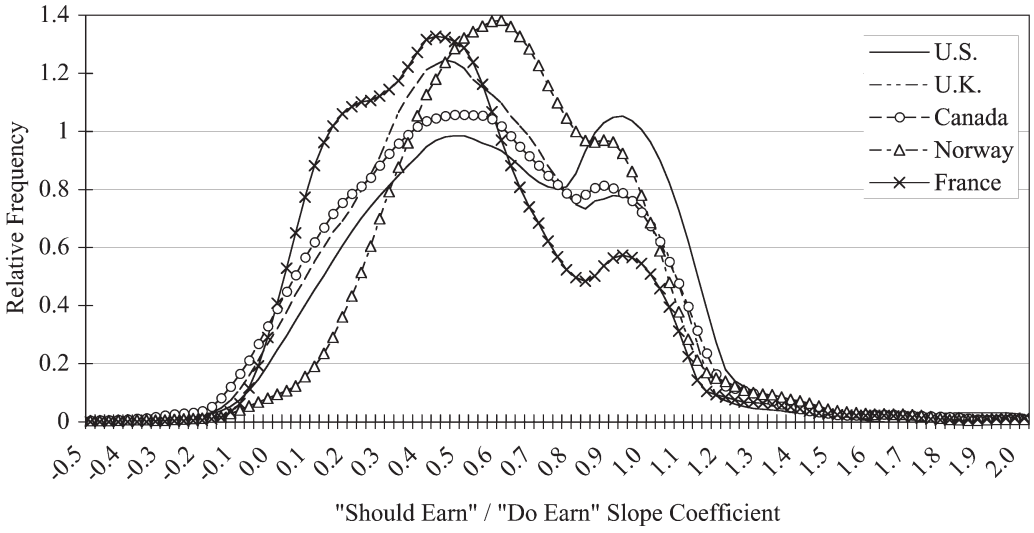

Figure 4. United States, United Kingdom, Canada, Norway, and France 1999: Distribution of Should Earn/Do Earn Slope Coefficient (Betas): Both Sexes

inequality could be painted, it probably would resemble Figure 4 for Norway.[23] Whereas the United States kernel density estimates paint a picture of polarized attitudes, the Norwegian picture is one of broad consensus. As other data also have indicated, Norwegians, on the average, are in favor of reducing still further their already relatively small income gaps. Figure 4 indicates that there is a very strong convergence in attitudes around a value of about $b_1 = 0.66$.

The United States (with strong polarization) and Norway (with consensus) are poles of a continuum, with Canada (not entirely American in attitudes), the United Kingdom (not entirely European in values), and France (not as unanimously egalitarian as Scandinavia) being intermediate cases. All five countries have a large number of people who are "levelers." In all five countries there are some who believe "do earn" equals "should earn" (i. e. $b_1 = 1$). The "exceptional" aspect of the United States is that it contains a much larger group clearly satisfied with the status quo than many other countries. The slight tendency for a bump at $b_1 = 1$ observed in France, the United Kingdom, Canada, and Norway is replaced by a clearly bimodal distribution in the United States. This bimodality among Americans is apparent among both men and women, with some convergence around an acceptance of the status quo, indicating little or no leveling desired ($0.9 < b_1 < 1$), and with another convergence of attitudes around substantial desired leveling (b_1 = approximately 0.5).

Although the b_1 coefficient may capture an overall preference for leveling, within the range of "acceptable" incomes, it does not directly address the issue of the ethically permissible range of earnings, or whether there is more concern with capping excessive rewards at the top of the distribution or limiting deprivation at the bottom. Figures 4a and 4b therefore present the distribution of attitudes in the United States and elsewhere toward the maximum/mean[24] and mean/minimum "should earn" ratios.

In Figure 5, the modal value of the U.S. maximum/mean ratio is lower and significantly more concentrated than in similar kernel density graphs for 1992 and 1987, but in whatever year one chooses to analyze, the modal value of ethical attitudes toward fair "top-end" inequality is at a level that is vastly different from the actual pay ratios reported in Table 5. In contrast, American attitudes toward inequality at the bottom end have become more diffuse over time. However, in both figures, the relative unanimity of Norwegian opinion comes through very strongly. The modal values of the maximum/mean ratio and the mean/minimum ratio of "should earn" incomes both are small, and the distribution is tightly compacted. As Figure 5 indicates, Canadian and American attitudes toward inequality at the top end are very similar, and there is a concentration of opinion that the maximum/mean ratio should be a little less than 2:1. United Kingdom and French respondents have a somewhat greater dispersion in their acceptance of top-end inequality. In North America, however, there still is a noticeable social consensus on the maximum level of income someone "should earn."

On the other hand, Figure 6 indicates that there was no consensus in the United Kingdom, Canada, France, or the United States on relative minimum earnings in 1999.[25] By contrast, the consensus on a social minimum in Norway is quite striking, which presumably makes it significantly easier to mobilize political support for antipoverty policies.

At this point, it is natural to ask why countries differ in the distribution of their attitudes. This article has argued that people may have distinct attitudes toward an ethically acceptable social minimum, toward a "fair" income maximum, and toward the leveling of differentials within that range, and that each set of attitudes may have a distinct explanation. In considering each specific issue (e.g., attitudes toward income

[23] Norwegians stand out for social consensus and trust in the social capital literature (see Helliwell 2003:25) and for egalitarian and pro-welfare state attitudes (Svallfors 1997:295).

[24] One gets the same result if attitudes toward wage differentials are examined between named occupations, such as CEO and skilled worker. To compare the distribution of U.S. attitudes toward the mean/minimum and maximum/mean ratio over time in 1987, 1992, and 1999, see Figures S3 and S4 (Section 4, Online Supplement, Section 2, *ASR* Web site).

[25] Kelley and Evans (1993) concluded, using 1987 ISSP data, that cross-national differences in attitudes were primarily about appropriate income differences at the top end, but opinions clearly have changed.

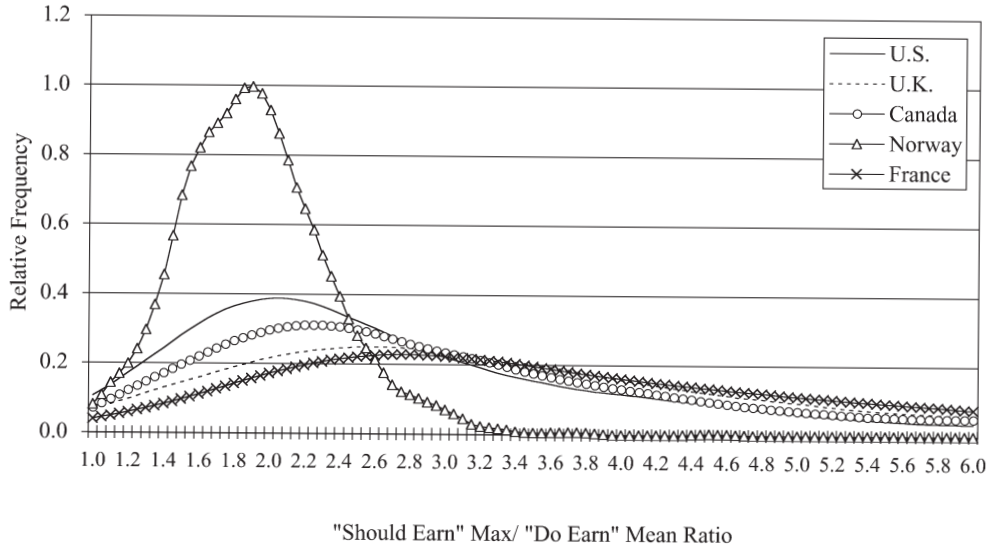

Figure 5. United States, United Kingdom, Canada, Norway, and France 1999: Distribution of "Should Earn" Max/"Do Earn" Mean (Max/Mean) Ratio: Both Sexes

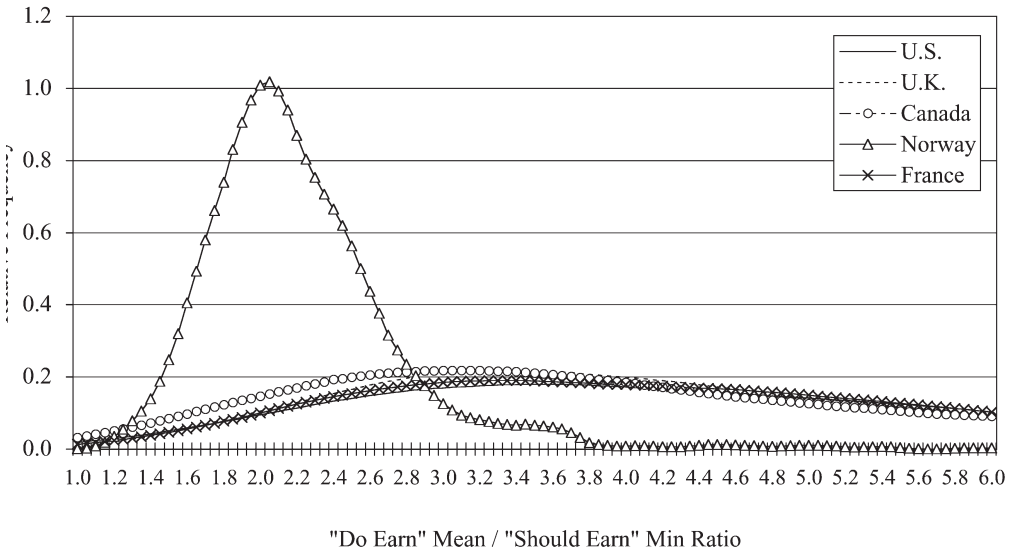

Figure 6. United States, United Kingdom, Canada, Norway, and France 1999: Distribution of "Do Earn" Mean/"Should Earn" Min (Mean/Min) Ratio: Both Sexes

leveling, as portrayed in Figure 4), many economists and sociologists have been trained to think "in a regression perspective" (i.e., to examine the partial correlation of "explanatory" variables with the dependent variable of interest, controlling for the influence of other variables). In this perspective, one possible reason why the distribution of individuals' attitudes differs across countries is that there are cross-country differences in the influence of personal characteristics (e.g., gender, age, or education) on attitudes. An alternative explanation for cross-country attitudinal differences may be differences across countries in the frequency of

attributes (e.g., fundamentalist Protestantism[26]). Moreover, a household characteristic such as income may vary across countries in both distribution and impact on attitudes, and the structural form of estimating equations may differ across countries. As well, it is plausible to wonder whether some individual characteristics (e.g., political party or subjective class identification) should be used as controls or considered to be endogenously determined.

Explaining international differences in the distribution of attitudes is therefore a fascinating and complex area for further research. Initial analyses suggest, if a common estimating equation linking personal characteristics and attitudes toward leveling is presumed, that the influence of standard variables such as age, education, income, or gender on leveling preferences (b_1) differs across countries. Although American women are significantly more egalitarian than American men, gender differences in the determinants of b_1 in other countries tend to be statistically insignificant. Similarly, in most countries (including the United States), both age and education are statistically insignificant as determinants of b_1, but not in all countries. Although higher-income households in several countries (e.g., Canada, France, Norway) prefer less leveling, family income is not statistically significant as a determinant of b_1 in either the United States or the United Kingdom. However, much more needs to be done to explain individuals' attitudes toward inequality.

CONCLUSION

The United States has more income inequality than other developed countries, but government does less about it (Osberg et al. 2004; Smeeding, 2005). In partial response to the "missing redistribution" of American public policy, an influential literature has argued, at least since Lipset and Bendix (1959), that there is something "different" about American values, as compared with European attitudes, and that less redistribution is, essentially, what Americans want.

We question the assertion that Americans *in general* are uniquely satisfied with economic inequality. On the average, Americans do not stand out as particularly different from other countries in general attitudes toward inequality or in the "should earn/do earn" comparisons, but comparisons of medians or means hide an important part of the story. The United States appears to be a country with much more polarization of attitudes toward income leveling than is common elsewhere, and increasingly so over time. The bimodality of American attitudes toward income leveling is particularly striking.

Kluegel et al. (1995a:206) have argued that it is common for individuals to have a "split consciousness" about economic inequality, because the same person often will report support for egalitarian principles (such as distribution according to need) and inegalitarian attitudes (such as the moral depravity of the poor). They note that this "presents a fertile ground for framing effects as political actors compete to make salient either the social explanations of poverty and wealth in support of redistribution or the individual explanations to motivate opposition to the welfare state."

This article has argued that there is a trend over time for American attitudes toward inequality at the top end of the income distribution to become less tolerant of inequality, even as at the bottom end they have become more accepting of inequality. The United States is not very different from other countries in its aversion to wide differences in income between the middle class and the very affluent. When it comes to differences between the middle and the bottom of the income distribution, however, both France and the Anglo-American countries have a similarly diffuse set of attitudes, which contrasts with the strong concern for a social minimum in Scandinavia (see Jäntti and Danziger, 2000), and which may help to explain international differences in public policy and average poverty rates.

Our principal findings can be summarized as follows:

1. The empirical trend toward widening actual earnings and income differentials at the top of the United States income distribution is not reflected in subjective estimates, which underestimate

[26] The 1998 ISSP asked respondents whether they agreed that "the Bible is the actual word of God and it is to be taken literally, word for word." In their responses, 30.1% of Americans agreed, as compared to 9.3% of West Germans, 6.1% of Australians, 9.6% of Canadians, 4.7% of Swedes and 5.1 % of UK residents. A further 49.2% of Americans believed the Bible to be "the inspired word of God."

top-end inequality more than is common in other countries.
2. There appears to be less concern over time for a "social minimum" in the United States than in comparable nations.
3. Public attitudes against excessive wage differentials at the top end may have hardened in the United States (at least up to 1999).
4. There is a strong, and increasing, polarization of attitudes toward income leveling in the United States.

Although it is hard to specify exactly the long-term implications for political economy of a polarization of attitudes and a widening discrepancy between public perceptions of actual and "fair" top-end inequality, this does not sound like a likely recipe for social or political stability. Under majority rule in a two-party system, one mode of the distribution may control the levers of redistributive policy for a time, but the underlying polarization of attitudes implies that there is a substantial gulf in desired public policies, and that a relatively small migration of voters may suffice to tip the balance between two very different conceptions of "fair" inequality.

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