The Effects of Subjective and Objective Indicators of Inequality on Life Satisfaction in a Comparative Perspective Using a Multi-Level Analysis

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Abstract: The inverse social gradient in life satisfaction (LS) is a well-established research finding. To estimate the influence of inequality on LS, most of the studies have explored the effect of the objective aspects of inequality or individuals' socioeconomic status (SES). However, relatively fewer studies have confirmed recently the significant effect of the subjective aspect of inequality or subjective socioeconomic status (SSS) on life satisfaction over and above SES. In other words, it is confirmed by some studies that individuals' perception of their unequal status in society or SSS can moderate the impact of their absolute unequal status on their life satisfaction. Nevertheless, this newly confirmed moderating link has not been affirmed to work likewise in societies with different levels of social inequality and also for people who believe in the value of equality, at different levels. In this study, we compared the moderative influence of subjective inequality on the link between objective inequality and life satisfaction. In particular, we focus on differences across welfare state regimes based on Esping-Andersen's theory. Also, we explored the moderative role of believing in the value of equality on the link between objective and subjective inequality on LS in the given societies. Since our studied variables were measured at both individual and country levels, we applied a multilevel analysis to the European Social Survey data (round 9). The results showed that people in deferent regimes reported statistically meaningful different levels of life satisfaction that is explained to different extends by their household income and their perception of their income inequality. The findings of the study supported the previous findings of the moderator influence of perceived inequality on the link between objective inequality and LS. However, this link is different in various welfare state regimes. The results of the multilevel modeling showed that country-level subjective equality is a positive predictor for individuals' life satisfaction, while the GINI coefficient that was considered as the indicator of absolute inequality has a smaller effect on life satisfaction. Also, country-level subjective equality moderates the confirmed link between individuals' income and their life satisfaction. It can be concluded that both individual and country-level subjective inequality slightly moderate the effect of individuals' income on their life satisfaction.

Keywords: individual values, life satisfaction, multilevel analysis, objective inequality, subjective inequality, welfare regimes status

Conference Title: ICMWPMH 2021: International Conference on Mental Wellness and Positive Mental Health

Conference Location : Paris, France **Conference Dates :** July 19-20, 2021