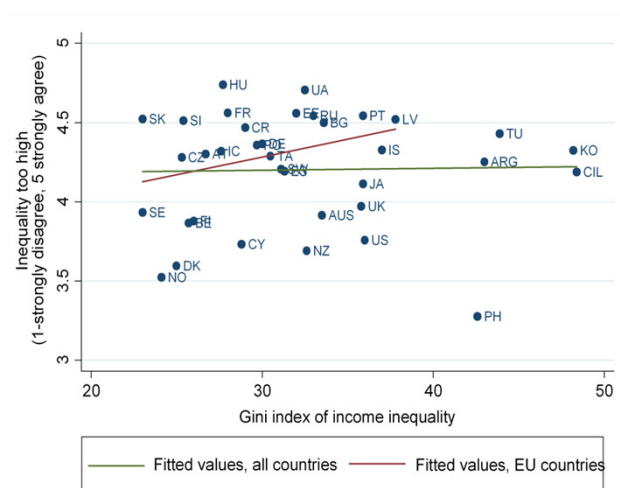


Attitudes towards inequalities in Hungary

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Introduction (1)



Introduction (2)

Questions:

- Are egalitarian attitudes related to distorted perceptions of income inequalities? Or they result from a particularly strong preference for small income differences?
- Have attitudes to income inequality changed between 1987 and 2009? Have post-socialist countries become more similar to market economies?
- What are the individual determinants of perceptions of income inequalities and attitudes towards inequalities in Hungary.

Data and measurement

Data

- The Social Justice module of the ISSP, four waves
- Hungarian data were collected by TÁRKI in all waves. Sample sizes: 2606 (1987), 1250 (1992), 1208 (1999), 1010 (2009)

Measurement:

- Estimate of actual earnings of a series of occupations and the amount respondents think they „ought to be earning”.
- Intertemporal comparability: use occupations that appear in all four waves.
- Estimated earnings inequality as average of estimated earnings of cabinet minister, chairman of large national corporation and doctor relative to the estimated earnings of an unskilled worker. Just earnings ratio was defined analogously.
- Attitudes to inequality=just earnings ratio/estimated earnings ratio

Figure 1. Attitude towards earnings differences and actual inequality, 2009

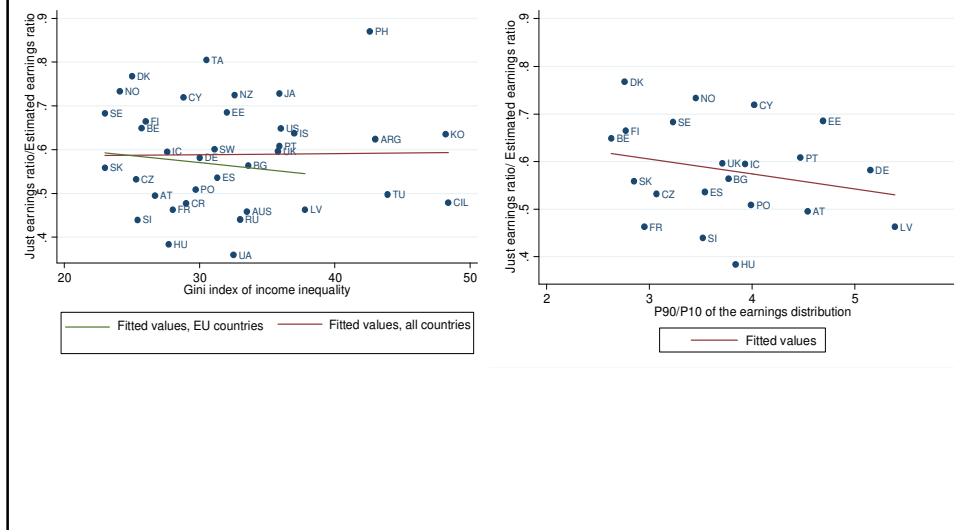


Figure 2: Estimated earnings ratio and actual inequality, 2009

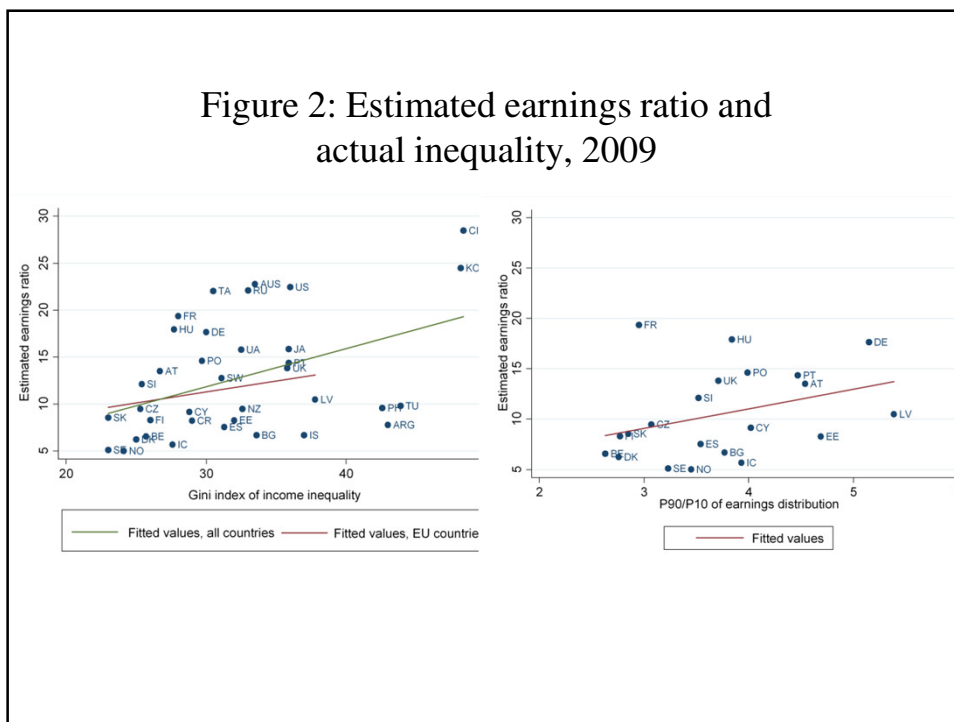
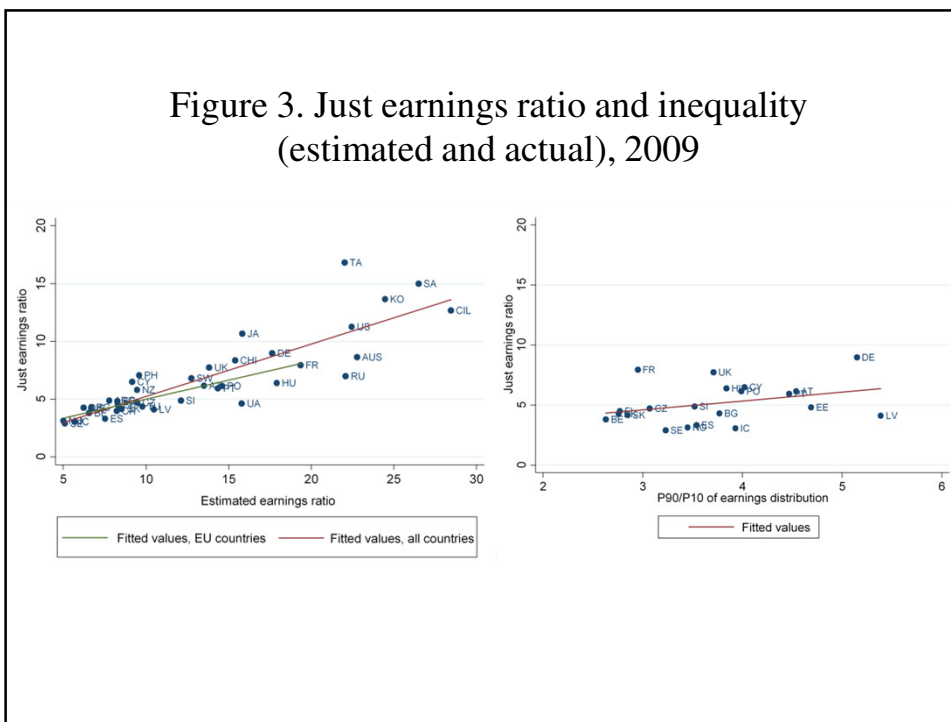


Figure 3. Just earnings ratio and inequality (estimated and actual), 2009



Change in attitudes to inequality

	Estimated earnings ratio				Just earnings ratio				Attitude to earnings inequality			
	1987	1992	1999	2009	1987	1992	1999	2009	1987	1992	1999	2009
Post-socialist countries												
BG		5,0	6,3	6,6		3,0	3,6	3,4		0,75	0,72	0,56
CZ		6,4	11,8	9,6		4,1	5,5	4,3		0,73	0,59	0,54
HU	3,8	8,4	15,1	17,8	2,7	3,7	5,2	5,5	0,80	0,54	0,46	0,38
PL	3,1	6,8	14,7	14,5	2,6	3,6	6,2	5,6	0,92	0,65	0,58	0,51
RUS		10,1	35,4	22,3		5,0	8,3	6,7		0,80	0,32	0,44
SI		8,4	10,1	12,1		4,0	4,7	4,7		0,58	0,57	0,44
Average	3,4	7,5	15,6	13,8	2,6	3,9	5,6	5,0	0,86	0,67	0,54	0,48
Other countries												
AUS	4,2	5,8	7,0	22,6	3,2	3,7	4,3	8,3	0,78	0,70	0,65	0,47
AT	11,1		7,9	13,6	5,4		4,7	5,6	0,58		0,66	0,50
D	9,1	9,4	7,3	17,6	5,2	5,2	4,9	8,9	0,64	0,64	0,69	0,58
NZ		6,1	8,6	9,3		3,8	4,8	5,6		0,66	0,67	0,72
NO		2,8	3,4	5,0		2,1	2,2	3,0		0,75	0,79	0,73
RP		7,9	9,7	9,3		6,8	7,5	6,8		0,98	1,07	0,87
SW		3,1	3,8	5,1		2,2	2,5	2,8		0,75	0,73	0,68
GB	8,5	10,7	10,6	13,5	4,8	5,5	5,6	7,2	0,63	0,66	0,60	0,61
USA	9,6	11,1	9,2	22,2	6,2	6,5	5,5	10,7	0,71	0,66	0,76	0,64
Average	8,5	7,1	7,5	13,1	5,0	4,5	4,7	6,6	0,67	0,72	0,73	0,65

Determinants of attitudes to inequality

	Estimated earnings ratio(log)	Just earnings ratio (log)	Attitude to inequality (log)
Year (ref.: 1987)			
1992	0,699 ***	0,255 ***	-0,445 ***
1999	1,210 ***	0,585 ***	-0,598 ***
2009	1,532 ***	0,744 ***	-0,767 ***
Cohort (ref: x-1945)			
1946-1960	-0,021	-0,066 **	-0,049
1961-1975	-0,151 ***	-0,244 ***	-0,103 **
1976-x	-0,167 **	-0,221 ***	-0,088
Women (ref.: men)			
Marital status (ref.: single)			
Divorced, widow	-0,004	-0,018	-0,000
Living with partner	-0,000	-0,023	-0,014
Education (years)	0,002	0,003 *	0,001
Labour market status (ref.: working)			
Unemployed	0,022	0,031	-0,005
Inactive	0,078 *	-0,038	-0,094 **
Household income (ref.: 1. quartile)			
2. quartile	0,014	0,108 ***	0,084 *
3. quartile	0,074 *	0,141 ***	0,077 *
4. quartile	0,029	0,233 ***	0,199 ***
Occupation (ref.: manager, professional)			
Routine nonmanual	-0,000	-0,111 ***	-0,118 **
Self-employed	0,021	-0,156 ***	-0,170 **
Skilled manual	0,000	-0,201 ***	-0,183 ***
Unskilled manual	-0,029	-0,281 ***	-0,244 ***
Constant	1,279 ***	1,047 ***	-0,240 ***
N	3123	3398	2986
R ²	0,51	0,25	0,25

Conclusion

- Strong discontent with inequalities in Hungary stems to a large extent from distorted perceptions of actual inequalities.
- The estimated earnings ratio has increased generally in the Hungarian population between 1987 and 1999, and to a lesser extent also between 1999 and 2009.
- The just earnings ratio has also increased but the increase was more moderate. Consequently the just earnings ratio has declined relative to the estimated ratio
- Younger cohorts seem to feel even stronger discontent with the estimated level of inequalities than older cohorts.