

Is Inequality Becoming Just? Changes in Public Opinion about Economic Distribution in Chile

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Chile is one of the few Latin American countries that has participated in the inequality module of the International Social Survey Program (ISSP) in 1999 and in 2009, allowing time comparisons in attitudes towards inequality in one of the countries with the highest income inequality throughout the world. This paper focuses on the cross-sectional comparison of the just earning gap, a proportional term based on salaries considered just for high and low status occupations. Even though descriptive analysis shows that the salary gap regarded as just is higher in 2009 than in 1999, explanatory models give evidence of stability over time. Results are discussed in relation to phenomena of legitimacy of economic inequality and its political consequences.

Keywords: inequality, perception, distributive justice, Chile, income.

One of the central problems in the social sciences is ‘the distribution of the social product in an unequal but legitimate form’ (Habermas, 1973: 132), a problem that is most noticeable in societies with high and stable levels of economic inequality such as in the countries of Latin America. The problem of distribution and economic inequality has traditionally been approached from one of two viewpoints. The first one is of empirical character and is typical of disciplines such as sociology and economy, and concentrates indices on poverty and inequality, social mobility patterns, stratification and changes in economic distribution. The second perspective is a theoretical one and encompasses the discussion regarding the distributive principles that would lead to a just distribution of goods and rewards in a particular society (Nozick, 1974; Dworkin, 1981; Walzer, 1983; Krebs, 2000), a debate characteristic of political philosophy and strongly influenced in recent decades by the publication of *A Theory of Justice* by John Rawls (1971). Neither of these perspectives, however, take into account the issue of the legitimacy of inequality: to what extent is economic inequality considered just or unjust by the population? Without information about people’s perceptions and beliefs about economic distribution, not only is it difficult to imagine a research programme on inequality and legitimacy, it is difficult to explain the stability of certain social stratification patterns within Latin American societies.

As in most Latin American countries, Chile has experienced significant political and economic transformations during recent decades (Portes, 1976; Filgueira, 2001; Robinson, 2004; Iglesias, 2006). On the one hand, steady economic growth and a

decrease in the rate of people living below the poverty line has placed Chile among the most successful economies (Hojman, 1996). On the other hand, Chile presents high and stable indices of economic inequality, locating the country among the twenty nations with the most unequal income distribution worldwide. In this sense, the landscape of economic transformations in Chile has been characterised as 'a mix of reasonable successes in the macro, growth and trade fronts but also of the failure to reduce chronic inequality of income and wealth' (Solimano, 2009: 1). Much of the research in this area has focused on macro level economic indicators and micro level mobility patterns, leaving people's perceptions and beliefs about distribution sidelined. The present paper aims at bridging this research gap by attempting to answer the question: To what extent is economic inequality justified in Chile and how has this changed over the past ten years?

Empirical research in public opinion about economic distribution has been closely related to studies in the area of empirical social justice (Kluegel, Mason and Wegener, 1995; Wegener, 2000). The starting point of this perspective acknowledges that 'the stability of a society, the absence of anomie, of normlessness, or even revolt, depends on a conception of justice that, if it is accepted by its members, provides legitimacy to the social institutions and the state' (Wegener, 2000: 75). Therefore, empirical research about shared conceptions of justice allows us to address whether current distributive arrangements correspond to individuals' opinions on inequality. By analysing individual differences in perceptions and beliefs about economic inequality, it is also possible to establish to what extent inequality generates social cleavages or consensus among different status groups in society.

Previous research in the area of distributive preferences at a societal level has shown controversial evidence regarding distributive preferences. Even though we would expect a stronger rejection of economic inequality in highly unequal societies, several studies support the contrary perspective, that is, that societies with higher levels of inequality legitimate a larger amount of inequality (Hadler, 2005; Osberg and Smeeding, 2006; Lübker, 2007; Castillo, Gerlitz and Schrenker, 2008; and Castillo, 2009a, 2009b). This line of research has made use of data from comparative public opinion surveys in the areas of justice and inequality, such as the International Social Survey Program (ISSP) and the International Social Justice Project (ISJP). The ISSP covered the topic of social inequality in 1999, where for the first time two Latin American countries (Chile and Brazil) formed part of a pool of 30 nations; the rest were mostly European. The 2009 ISSP, in which Chile also participated, replicated many of the items from 1999. The availability of these data offers the possibility of performing cross-sectional time comparisons on topics of perceptions and beliefs about economic inequality in one of the countries with the highest index of economic inequality worldwide. By using the ISSP data, the main objective of this paper is to analyse the changes in the justification of occupational earnings gaps between 1999 and 2009 in Chile. In line with previous evidence, it is expected that the distributive context – the actual distribution – has a significant impact on what individuals consider just, which is referred to as existential perspective in social justice research (Shepelak and Alwin, 1986). Given that inequality in Chile has remained relatively stable over the past ten years, it is expected that preferences for economic distribution have not changed either.

This paper is organised into five sections. The first introduces the issue of economic inequality in Chile. In the second section, the specific research approach for this study, which is characterised by the estimation of the extent of inequality considered just based on the just earnings gap, is presented. The third section describes data, variables and

method, and the fourth section presents the descriptive and multivariate analysis. The final section summarises the main findings and proposes avenues for future research.

Economic Inequality in Chile

A number of different measures are available for gaining an overview of income inequality (Morley, 2001), the most direct and straightforward being a comparison of household income per capita across the population, ordered by income level. One classical standard index of inequality based on household income is the Gini coefficient, which measures the difference between the actual distribution and a perfectly equal distribution in which each household receives exactly the same income. Based on this index, in the most recent World Development Reports from the United Nations Development Programme (UNDP, 2006, 2007, 2009), Chile is located among the twenty countries with the most unequal distribution of income, a situation that has not significantly varied in the last twenty years (Kremermann, 2004). At the same time, Chile is considered among the 40 countries with the highest human development, according to the Human Development Index (HDI). These two indicators (high Gini and high HDI) illustrate again the Chilean context in a concise way: successful macro-economic and development indicators, and simultaneously high inequality indexes (Ruiz-Tagle, 1999; Valda, 2007).

The analysis of income deciles gives a more detailed picture of the stability of income distribution in Chile during recent years. Table 1 shows the evolution of income distribution from 1990 to 2009, based on the Survey of Socio-Economic Characterisation CASEN, implemented by the Ministry of Planning and Cooperation (MIDEPLAN, 2006, 2010).

Throughout the last twenty years, on average more than 40 percent of the total income has been concentrated in the richest (tenth) decile, whereas less than 1.5 percent of the total household income corresponds to the poorest decile. Even though in 2006 there was a decrease in the income share of the richest decile (38.6 percent), the poorest decile also experienced a diminishing of their participation in the total income, from 1.4 percent in 1990 to 1.2 percent in 2006. Inequality also increased in the last CASEN

Table 1. Evolution of Income Distribution According to Income Deciles (percentage of household income per income decile)

Decile	1990	1992	1994	1996	1998	2000	2003	2006	2009
1	1.4	1.5	1.4	1.3	1.2	1.3	1.2	1.2	0.9
2	2.7	2.8	2.7	2.6	2.5	2.7	2.7	2.9	2.7
3	3.6	3.7	3.5	3.5	3.5	3.6	3.6	3.9	3.7
4	4.5	4.7	4.5	4.5	4.5	4.5	4.7	4.9	4.6
5	5.4	5.6	5.6	5.4	5.3	5.7	5.4	5.6	5.6
6	6.9	6.6	6.4	6.3	6.4	6.2	6.6	7.0	7.1
7	7.7	8.1	8.1	8.2	8.3	7.9	8.2	8.7	8.5
8	10.4	10.5	10.6	11.1	11.0	10.4	10.7	11.1	11.1
9	15.2	14.8	15.4	15.4	16.0	15.1	15.3	16.0	15.6
10	42.2	41.8	41.8	41.8	41.4	42.7	41.5	38.6	40.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: MIDEPLAN 2006, 2010, CASEN survey.

Table 2. Inequality Indices (based on decile proportions and Gini index)

	1990	1992	1994	1996	1998	2000	2003	2006	2009
Index 10/10	30.1	27.9	29.9	32.2	34.5	32.8	34.6	31.3	34.5
Index 20/20	14.0	13.2	14.0	14.7	15.5	14.5	14.6	13.1	15.6
Index 10/40	3.5	3.3	3.5	3.5	3.5	3.5	3.4	3.0	3.4
Gini coefficient ^a	0.57	0.56	0.57	0.57	0.58	0.58	0.57	0.54	0.55

^aCalculated based on individuals.

Source: MIDEPLAN 2006, 2009 CASEN survey.

survey of 2009 (MIDEPLAN, 2010). As a consequence, the income inequality remains stable overall, as is presented in the indicators listed in Table 2.

The indexes refer to decile ratios, in which the numerator is the highest decile and the denominator the lowest. This means that the index 10/10 is the highest decile (tenth) divided by the lowest decile (first). The value of 30.1 in 1990 indicates that households in the highest decile obtained about 30 times more income when compared to households in the lowest decile, a proportion that increases when comparing the year 1990 and the year 2009. The differences between the indexes 10/10 and 20/20 are related to the extreme concentration of income in the richest decile. Chile is resituated as the most egalitarian country in Latin America when the highest decile is removed from the comparison of income groups (Torche, 2005).

The explanatory factors of inequality and poverty are numerous and diverse, encompassing historical associations with the *encomienda* system (Keith, 1971; Góngora, 1975), failures of economic strategies of industrialisation (Korzeniewicz and Smith, 2000), and neoliberal reforms and structural adjustment programmes particularly during the Chilean dictatorship (Riedemann, 1984; Marcel and Solimano, 1993; Martínez and Díaz, 1996; Hoffman and Centeno, 2003). Despite the increase in social expenditures and the drastic diminishing of the poverty rate during the democratic regimes since 1990, the free-market model inherited from the military regime has been associated with the maintenance of income inequality (Waissbluth, 2006), even though the democratic governments have been explicitly committed to reducing inequalities in income as one of the top priorities of the political agenda (Hojman, 1996). The maintenance of neoliberal policies as well as the stable level of inequality in the democratic period constituted one of the main motivations for the study of people's perceptions and beliefs about economic distribution in this country, and whether it is possible to talk about justification of inequality in a context with high inequality.

The Empirical Approach to Distributive Justice and the Justification of Social Inequality

The traditional debate about social justice is of a normative character: how to distribute goods and rewards in a society in a fair way. When following the discussion in political philosophy, it is clear that there are quite different and sometimes opposing forms of conceiving what constitutes a just distribution. Even though almost all scholars in this area relate justice to some form of equality, the point of dissensus mostly refers to the way in which inequality is conceived, or to what type of inequality is considered just; the so called 'equality of what' debate (Krebs, 2000). Such differentiation between justice

and equality in the philosophic arena is one of the starting points for the empirical approach to social justice, which challenges the assumption that in modern societies most individuals hold justice conceptions that are equivalent to equality or egalitarian distribution. The disentanglement of justice and equality in public opinion allows us to study to what extent individuals support an egalitarian distribution, and what degree of economic inequality could be considered just.

Empirical studies relating justice and inequality are usually one of two forms: principle-related and reward-related (Wegener, 1999). The former refers to the empirical study of general justice judgements that people hold about the distribution of goods and rewards in society (Kluegel, 1989; Shepelak, 1989; Wegener, 1992; Wegener and Liebig, 1993; Gijsberts, 1999; Aalberg, 2003), whereas the latter refers to justice evaluations about concrete distributions of rewards to individuals, in the sense of expressions such as 'it is just that person A receives X' (Adams, 1963; Arts, Hermkens and Wijck, 1991; Berger et al., 1989; Gijsberts, 1999; Homans, 1961; Jasso, 1978; Jasso, 1980; Jasso, 2007; Jasso and Wegener, 2007; Kelley and Evans, 1993; Runciman, 1966; Verwiebe and Wegener, 2000). The analysis of rewards considered just for occupations of different status allows a subjective measure of the amount of economic inequality considered just in a society, called the just earnings gap. The main characteristics of this term have been described in detail previously (Castillo, Gerlitz and Schrenker, 2008; Castillo, 2009a, 2009b) and so are only summarised here. The just earnings gap is based on a proportion of occupational earnings considered just for high status and low status occupations, as explained by the following formula:

$$\text{just earnings gap} = \ln \left(\frac{\text{just earning}_{\text{high status occupation}}}{\text{just earning}_{\text{low status occupation}}} \right) \quad (1)$$

This operationalisation attempts to reflect the differences in earnings considered just for a high and a low status occupation, i.e. a measure of the justification of economic inequality. Concretely, the differences are expressed as a ratio of the earning considered just for a high status occupation, divided by the earning considered just for a low status occupation. The key idea of the ratio is to express how much is considered just for someone in a high status occupation to earn in relation to someone in a low status occupation. The use of a ratio also permits abstraction away from currency units, allowing cross-national and cross-time comparability and direct focus on the relative income hierarchy (Kelley and Zagorski, 2004).

Explaining Individual Differences in the Justification of Inequality

Empirical justice studies can be classified into descriptive and explanatory:

The descriptive study of justice aims to identify the perceptions of justice held – or acted upon – by social actors. The explanatory approach tries to identify independent variables that can account for the findings of such descriptive studies. (Elster, 1995: 81)

The present study belongs to the second approach, aimed at explaining individual differences regarding distributive preferences. However, we must consider whether there are individual differences in this regard. Shepelak and Alwin (1986) note that

one possibility would be that people take into account first and foremost normative ideals (for instance, equality) and accordingly then perform a justice judgement. In this case, referred to by them as the utopian perspective, we would find consensus among individuals regarding a just distribution. On the other hand, there is the existential perspective, which states that, instead of appealing to general normative principles, what people consider as just is mostly based on the elements that characterise their day-to-day reality (Shepelak and Alwin, 1986; Kluegel et al., 1995; Mueller and Landsman, 2004). Berger takes this line of reasoning, pointing out that an individual 'believes he should possess what he believes others like him do possess' (Berger et al., 1972: 139), and therefore justice depends on a comparative process against some referential standard of the context. This idea has been highlighted by authors who refer to the role of perception as a framework that determines justice judgements (Markovsky, 1988; Hegtvædt, 2006), since the standards that people perceive as part of their context would be different. Therefore, and contrary to the utopian perspective, the existential perspective proposes that there would be individual differences in distributive preferences that would be influenced by the perception of their immediate context regarding economic inequality.

This paper advances the general hypothesis that distributive judgements are to a certain extent existentially determined. Such an idea entails a challenge to common sense, since it points out that the contextual characteristics in terms of distribution (i.e. economic inequality), influence or frame justice judgements, leading societies with higher inequality to justify larger average levels of inequality. There is already some research that supports this in countries with high inequality, such as Chile and Brazil, which show larger levels of inequality justification than more egalitarian societies (Osberg and Smeeding, 2006; Castillo, Gerlitz and Schrenker, 2008). Also in line with the existential perspective, there is evidence regarding the influence of perception of inequality (what is) on the justification of it (what ought to be) (Castillo, 2009a, 2009b). That is to say, individuals reporting a larger inequality perception are also willing to justify greater inequality levels. Empirical evidence has until recently only been based on one point in time due to the absence of replicated large-scale surveys. The availability of the ISSP 2009 Chilean data as well as the data from ISSP 1999 now allows comparison of previous explanatory models of justice judgements over a time span of ten years. Given that inequality levels have remained relatively stable over the last decade in Chile, support for the general hypothesis of existential determination of attitudes towards inequality would be associated with two hypotheses:

1. *Increase or stability in the amount of inequality that is justified in 1999 and 2009.* From a utopian point of view, stability of high economic inequality would challenge distributive ideals, which in the long run would create greater discontent and pressures for redistribution. In this sense, if we find stability in the justification of inequality despite stable inequality, this could be considered as evidence for the existential argument.
2. *A similar influence of perceived inequality on justified inequality in 1999 and 2009.* If justification of inequality were mostly utopian-normatively driven, we would expect a growing tension to occur between a larger perception of inequality and a larger justification of it. This means that the influence of perception on justification would decline over time. On the contrary, evidence for our existential argument would be given by a stable or increasing impact of inequality perception on the justification of economic inequality.

Data and Variables

Data

The ISSP is an annual international collaborative project on surveys covering a broad range of relevant topics for the social sciences. It started in 1983 with four founding members (Germany, the United States, Great Britain and Australia), and up to now has been extended to include more than 40 countries. Given its collaborative character, each country member must contribute funding to implement the survey, and usually the ISSP questionnaire is administered as part of existing national surveys (Braun and Uher, 2003). Each year the survey covers a particular topic which is repeated a few years later, allowing time comparisons. The topics are decided by a sub-committee formed by country representatives, and then a general questionnaire is written in English to be translated later into country specific languages. Once the information is collected and provided by each country, the data are archived at Gesis in Germany, supported in the processing of the data by the ASEP (Análisis Sociológicos Económicos y Políticos) in Madrid.

Social inequality was the research topic for the modules of the ISSP 1987, 1992, 1999 and 2009. This survey includes a series of attitudinal items regarding income distribution, perception of inequality, distributive principles and expectations about the role of the state regarding social inequality, as well as questions concerning the perception and evaluation of occupational income. ISSP surveys started being implemented in Chile in 1998 by the Centro de Estudios Públicos (CEP), a non-governmental research institution that performs a series of public opinion studies annually, mostly on political topics. The present research analyses the last two Chilean surveys for the ISSP social inequality module. The 1999 data were obtained from the ISSP merged dataset which was released three years after the fieldwork. Since there is still no official merged ISSP dataset for 2009, data from the CEP survey 'Estudio Nacional de Opinión Pública N° 30, Tercera Serie Mayo-Junio 2009', which includes the ISSP 2009, was used (www.cepchile.cl). Both 1999 and 2009 surveys are nationally representative, are conducted face-to-face, and incorporated 1503 and 1505 cases, respectively.

Variables

The main dependent variable of the study is the justification of economic inequality, operationalised through the just earning gap (introduced in Section 2). The ISSP includes items that ask for salaries considered as just for low and high status occupations (Table 3).

The survey also includes items covering the perceived salary for the same occupations, which serve to calculate the perceived inequality in society, or the perceived gap. The perceived gap is a ratio of the salaries for high and low status occupation, whereby the higher the value of the term, the higher the perception of earnings inequalities between occupations in the extremes of the status continuum. Items used for calculating the perceived gap are also presented in Table 3.

Independent variables are divided into status indicators and socio-demographic controls. For status, the net equivalent income is considered first, calculated by dividing the monthly family income by the number of people in the household; and second, for education, the maximum level of education attained is assessed. Socio-demographic controls include sex, age, employment status, political orientation and religion. A description of these variables is presented in Table 4.

Table 3. ISSP Items for the Perceived and the Just Income Gaps

	Just	Perceived
High status occupation	About how much do you think the chairman of a large national corporation should earn a month/a year?	About how much do you think the chairman of a large national corporation earns a month/a year?
Low status occupation	About how much do you think an unskilled worker in a factory should earn a month/a year?	About how much do you think an unskilled worker in a factory earns a month/a year?

Source: ISSP surveys 1999 and 2009.

Table 4. Exogenous Predictors

Type	Variable name	Operationalisation
Status	Net equivalent income Educational level	Household income/number of people in the household No formal education Basic complete Intermediate incomplete Intermediate complete University incomplete University complete
Socio-demographic controls	Sex Age Employment status Political orientation Religion	Female = 1, ref. male = 0 In years Unemployment = 1, ref. other employment situation = 0 Left-centre left = 1, ref.: centre, centre right and right. Catholic = 1, ref. other religions/no religion = 0

Data Analysis

Descriptive Analysis

Table 5 shows a comparison of perceived and just salaries in 1999 and 2009. The table presents the median of the salaries since it is a central tendency measure that is less affected by extreme values (such as, for instance, extremely low or high perceived salaries) when compared with the mean. In both years the salary considered just for the worker is higher than that perceived, which is the opposite in the case of the manager. In this sense, justice appears as a tendency to equalise actual differences, but is still far from reaching absolute equality as a justice criterion.

Regarding time comparisons, the salary considered just for a worker in 2009 is higher than in 1999, but so is the perceived salary. Therefore, despite differences in absolute terms between years the relation between perceived/just seems relatively stable,

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Table 5. Median Perceived and Just Salary for Unskilled Worker and Manager, 1999–2009

Year		Worker	Manager
1999	Perceived	90,000	3,000,000
	Just	200,000	2,000,000
2009	Perceived	160,000	5,000,000
	Just	300,000	3,000,000

Source: ISSP surveys 1999 and 2009.

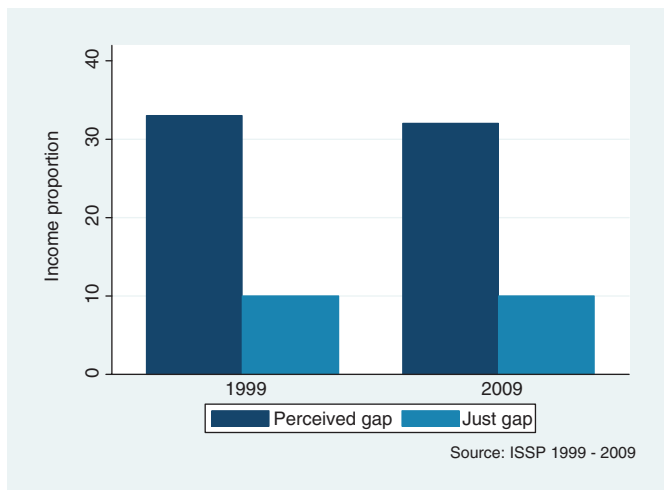


Figure 1. Perceived and Just Gaps in 1999 and 2009

as is shown in Figure 1. The graph illustrates a comparison of the perceived and just gap in both years analysed. The gaps are here calculated in absolute values (i.e. without logarithmic term) in order to facilitate the interpretation. For instance, individuals in 1999 perceived that a manager earned about 32 times more than an unskilled worker, whereas the just proportion between both is about ten. There is little variation in these gaps between the years, although the perceived inequality is slightly lower in 2009.

Taking general stability in proportional terms for the average gaps as a background, an analysis of individual differences is possible. Previous evidence has shown that the just gap covaries with status variables in a positive sense, which can be explained based on rational interests: the higher the status, the more the personal profit from an unequal distribution, and therefore the larger the salary differences that are conceived as just (Kelley and Evans, 1993). Table 6 shows that the median just gap increases with income quintiles.

However, in the same table a less expected and more paradoxical result for the perceived gap is evident, whereby the median perceived inequality increases with income. That is to say, lower status (income) groups perceive less inequality than higher status groups. The influence of status on perceived and just inequality is also apparent when considering differences based on the educational level as presented in Table 7.

Table 6. Median of Perceived and Just Gap by Income Quintiles in 1999 and 2009

Income quintiles	1999		2009	
	Perceived gap	Just gap	Perceived gap	Just gap
1	21.1	8	28.3	9.4
2	22.2	10	27.2	10
3	30	10	32	11.1
4	41.7	10.8	37	12
5	50	15	45.6	16

Source: ISSP surveys 1999 and 2009.

Table 7. Median of Perceived and Just Gap by Educational Level in 1999 and 2009

Educational level	1999		2009	
	Perceived gap	Just gap	Perceived gap	Just gap
No formal education	22.2	10	25.2	10
Basic complete	22.2	10	27.8	10
Intermediate incomplete	25	10	31.3	10
Intermediate complete	37.5	11.5	31.4	10
University incomplete	50	11.1	39.1	12.5
University complete	50	16.6	50	16.7

Source: ISSP surveys 1999 and 2009.

This finding, already documented in the context of prestige studies (Wegener, 1987, 1990), has consequences for research into the justification of inequality: what is justified must be analysed with regard to what is perceived, and since perception is not a constant (but varies with status), it should be included in explanatory models of inequality justification. In other words, inequality perception should be taken as a framework for inequality justification because if two individuals justify the same amount of salary gap, for instance 40, the meaning of this gap is very different for someone who perceives a gap of 100 than for another individual perceiving a gap of 50.

Multivariate Analysis

The following section explores further the comparison of the justification of economic inequality in Chile and determinants. A series of regression models for the just and perceived gaps on status variables and socio-demographic controls are presented in Table 8. The first model of Table 8 considers the just gap in 1999, where we observe a significant effect of income but no effect of educational variables, a picture that changes in 2009 where education is now significant. Additional analysis shows evidence of a significant effect of education that falls under the control of income in 1999; therefore it seems that income and education are more closely associated in 1999 than in 2009 as far as inequality justification is concerned. The effect of education on the preference of larger income differences contradicts the so called enlightenment thesis (Jackman and Muha, 1984), which emphasises an increase in egalitarian-redistributive values with a higher educational level. The data of 2009 support the alternative explanation of Huber

Table 8. OLS Regression Models of Just and Perceived Gap on Status and Socio-demographic Variables

	Just gap		Perceived gap	
	1999	2009	1999	2009
(log) Net equivalent income	0.23** (4.86)	0.09* (2.04)	0.21** (4.31)	0.03 (0.71)
Education (ref. basic inc.)				
Basic complete	0.09 (0.64)	0.14 (1.19)	0.01 (0.08)	0.15 (1.28)
Intermediate incomp.	0.01 (0.06)	0.23* (1.97)	0.28* (1.98)	0.27* (2.36)
Intermediate complet.	0.15 (1.19)	0.35** (3.20)	0.43** (3.27)	0.40** (3.78)
University inc.	0.02 (0.16)	0.55** (4.44)	0.54** (3.28)	0.60** (4.91)
University comp.	-0.01 (-0.06)	0.78** (5.24)	0.40* (1.97)	0.68** (4.57)
Woman (ref = man)	-0.24** (-3.11)	-0.28** (-4.11)	-0.11 (-1.35)	-0.08 (-1.21)
Age	0.00 (1.07)	0.01** (3.03)	0.01* (2.20)	0.01** (3.12)
Constant	-0.19 (-0.39)	0.96* (2.02)	0.72 (1.36)	2.70** (5.77)
Observations	722	1004	762	1009
R-squared	0.073	0.095	0.096	0.054

OLS estimator, unstandardised coefficients, t statistics in parentheses, *p < 0.05, **p < 0.01.

Non-displayed variables: religion, employment status, political orientation.

Source: ISSP surveys 1999 and 2009.

and Form (1973), who argue that higher education is linked with stronger enculturation, which in most market-societies results in preference for a more unequal distribution based on the principles of merit and personal achievement (Hadjar, 2008). Overall, there is a significant influence of both status variables – particularly in 2009 – on the justification of inequality, confirming previous findings in this line of research. In both years, there is also evidence that women justify less income difference than men, which can be linked to studies concerning the egalitarian tendency of women (Davidson, Steinmann and Wegener, 1995).

With respect to inequality, the models for the perceived gap support the predicted influence of status variables: the higher the status (income and education), the higher the perceived inequality. Again, the difference between both models is apparent, but now income is influenced by education in 2009. In general, education as a status variable acquires a stronger role for both perceived and justified inequality in 2009 compared with 1999.

As anticipated earlier, just inequality must be analysed taking into account perceived inequality. In multivariate terms, this would mean including the perceived gap as a predictor of the just gap, which requires some additional considerations. On the one hand, we know that perceived inequality is affected by similar determinants of just inequality, implying some endogeneity problems in multiple regression models

(Table 8). On the other hand, there is a strong association between perceived and just gap, as represented in Figures 2 and 3.

The scatterplots depicted in Figures 2 and 3 indicate the referred positive association between perceived and just gap in 1999 and 2009, which increases to 0.56 and 0.60, respectively. The positive association means that respondents tend to consider as just a higher income for those with high perceived earnings, and a lower income for those with low earnings, irrespective of other attributes. The term anchoring has been used in the literature to refer to this cognitive phenomenon by which justice judgements are dependent on or anchored to the rewards perceived by the respondent (Tversky and Kahneman, 1974; Markovsky, 1988). Such a finding supports the hypothesis regarding the influence of existential standards in determining justice judgements: what is perceived has an impact on that which is considered just.

Perceived inequality may thus be considered as a predictor of just inequality. In dealing with the endogeneity problems mentioned above, the models will include the status and socio-demographic predictors for both variables in a path model, as illustrated in Figure 4.

The empirical implementation of the path model for 1999 and 2009 is presented in Table 9, where the just gap and the perceived gap are regressed on status and socio-demographic controls, and at the same time the just gap is regressed on the perceived gap. To simplify the presentation of the results, the table only depicts the path coefficients on the just gap. The effect of income is significant in both years, whereas the impact of education diminishes in 2009 with the perceived gap.

Additional analyses that separate direct and indirect effects reveal that there is a significant indirect effect of educational levels on the just gap that is mediated by the perceived gap (Sobel test $p < 0.05$ for levels intermediate complete to university complete). This means that even though higher education is related to a larger inequality

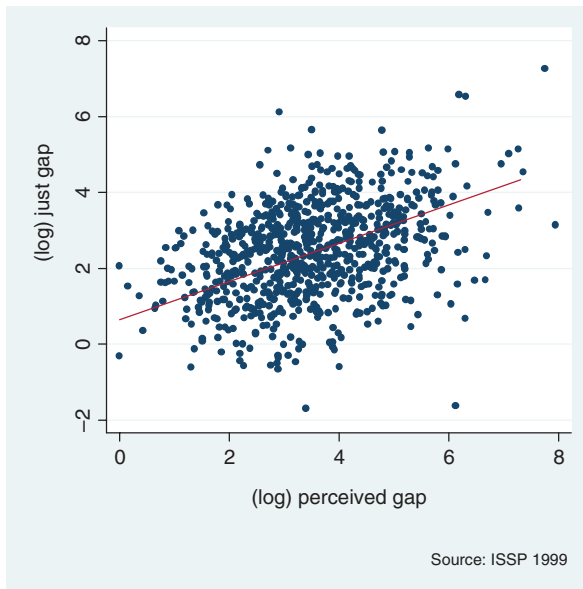


Figure 2. Association between Perceived and Just Gap 1999

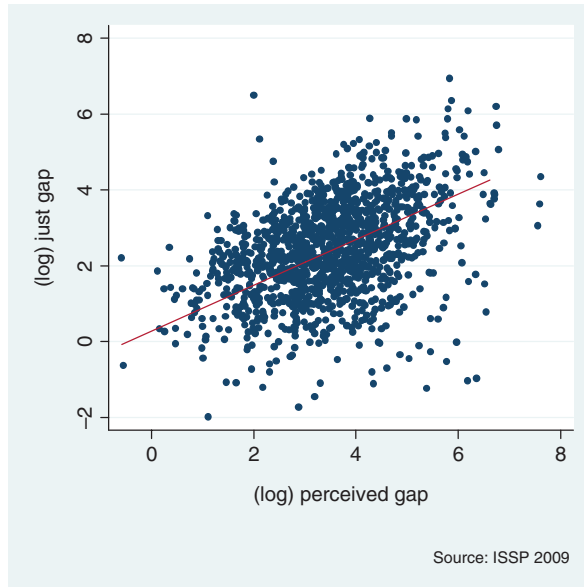


Figure 3. Association between Perceived and Just Gap 2009

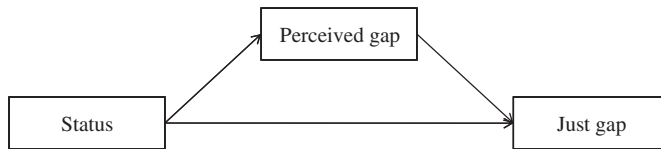


Figure 4. Path Model of the Just Gap on Perceived Gap and Status Predictors

perception, the difference between what is perceived and what is just is relatively constant among individuals of different educational levels. Given that perceived inequality is not a constant but rather varies with status, if we conceive perceived inequality as the reference point for elaborating justice judgements, then the distance between what is perceived and what is just becomes similar across status groups. All in all it is possible to point out that with the introduction of the perceived gap we reach greater consensus across status groups regarding the justification of economic inequality; and second, the amount of explained variance of the just gap increases to 34 percent in 1999 and 40 percent in 2009. Such a finding is in accordance with previous evidence in the area of existential influences on distributive preferences (Castillo, Gerlitz and Schrenker, 2008; Castillo, Mühleck and Wegener, 2008; Castillo, 2009c) and now has additional support in Chile with the data from the two surveys analysed in this study.

Conclusions

The present paper assessed changes in the justification of economic inequality in Chile by considering data from the ISSP surveys on social inequality from 1999 and 2009. The

Table 9. Path Model of the Just Gap on Perceived Gap and Status Predictors

	1999	2009
(log) Net equivalent income	0.10* (2.54)	0.07* (2.07)
Education (ref. basic inc.)		
Basic complete	0.09 (0.74)	0.00 (-0.03)
Intermediate incomp.	-0.13 (-1.21)	0.05 (0.62)
Intermediate complet.	-0.04 (-0.42)	0.07 (0.85)
University inc.	-0.16 (-1.30)	0.15 (1.69)
University comp.	-0.13 (-0.85)	0.24* (2.14)
Perceived gap	0.50** (17.75)	0.58** (26.14)
R-squared	0.34	0.40

Unstandardised path coefficients, t statistics in parentheses, *p < 0.05, **p < 0.01.

Non-displayed variables: religion, employment status, political orientation, sex, age.

Source: ISSP surveys 1999 and 2009.

study was framed in the area of empirical social justice research, which is concerned with the measurement of distributive preferences of goods and rewards in society. The main variable analysed in relation to the justification of inequality was the just gap, a proportional term based on survey questions regarding salaries considered just for occupations on the extremes of the status continuum. The analysis gave support to the general hypothesis of the influence of the distributive context on distributive preferences – referred to here as the so called existential argument. First, justification of inequality has not diminished between 1999 and 2009 but rather has remained stable. Second, there is also stability in the influence of perceived inequality on justification, also in line with the existential argument. Third, status differences attenuate under control of inequality perception, which reveals an important degree of consensus across status groups regarding inequality preferences in 1999 as well as in 2009. The results acquire further relevance when taking into account that Chile is located among the countries with the highest income inequality worldwide.

The theoretical framework chosen for the study and the interpretation of results are provocative. To say that there is a relative consensus regarding the justification of inequality, as well as to assert that a certain degree of inequality is considered just, contradicts common understanding and egalitarian ideals. Nevertheless, this area of research took as its starting point the idea that it is necessary to disentangle justice from equality in public opinion in order to advance the study of distributive preferences. Despite an apparent consensus in egalitarian values, inequality remains stable even in contexts of high inequality, and personal preferences may play a role in this process. Still, it is important to point out that the argument explaining stable inequality is not based on people's preferences, i.e. high inequality is not a direct consequence of people's normative preferences regarding distribution. The argument followed by this study – existential perspective – is that context is an important determinant of normative

distributive preferences, or in Homans' terms (Homans, 1976: 244), 'what is, is always becoming what ought to be'. In this sense, the uneven income distribution in unequal societies like Chile could influence the parameters for evaluating what is just and what is unjust, which at a micro level is reflected by the impact of perceived inequality on the inequality considered just.

The cumulative support now acquired for the model of inequality justification allows for future exploration of the consequences of justifying inequality. One possibility barely explored in the literature is the impact on political participation and the perception of conflict in society. Since median voter theories point to a higher degree of mobilisation for redistribution in unequal contexts, the consideration of micro level data about perception and preferences for redistribution could help to approach one key aspect that so far remains under-researched. The possibilities of analysis will expand in the near future with the release of the ISSP merged dataset, giving the opportunity to compare the proposed models in over 40 societies worldwide.

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