



Fairness and solidarity: What Europeans think



Social Situation Monitor
Research Seminar

Wed. 15th January 2020
11:30 – 17:10

Crowne Plaza Hotel
'Evasion' room – Floor 1
Rue Gineste 3
1210 Brussels
Belgium

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About the seminar

The Social Situation Monitor

Each year the Social Situation Monitor (SSM):

- Carries out policy-relevant analysis and research on the current socio-economic situation in the EU on the basis of the most recent available data;
- Examines major issues which are features of the situation or affect it with the aim of providing evidence on which to base policy-making across the EU.

This initiative is directed by the London School of Economics (LSE), in consortium with ICF, on behalf of the European Commission. The team is led by the Academic Director, Dr. Bob Hancké from LSE, and the Project Director, Dr. Simona Milio from ICF. The team is composed of renowned academics and researchers from the consortium organisations reflecting a wide range of expertise.

More information can be found at:

<http://ec.europa.eu/social/main.jsp?catId=1049&>

The SSM seminar series

SSM seminars are research seminars. Their aim is to provide a forum to discuss the theoretical, methodological and policy implications of the latest economic and social research. More specifically, SSM seminars aim to inform:

- The economic and social analysis of the European Commission in general, and the Commission's *Employment and Social Developments in Europe* review in particular*.
- The economic and social analysis of the European Commission's stakeholders.
- The economic and social policies of the European Commission and its stakeholders.

SSM seminars are primarily intended to:

- Economists and analysts working in policy-making organisations;
- Academic researchers;
- Policy officers with an interest in economic and social analysis.

(*) The *Employment and Social Developments in Europe* reviews can be found in the European Commission's publications catalogue:

<http://ec.europa.eu/social/main.jsp?catId=1285&langId=en>

Seminar agenda

11:00 – 11:30 Registration

11:30 – 11:40 Welcome words

By Barbara Kauffmann (European Commission)

11:40 – 11:50 Introduction

By Bob Hancké (London School of Economics)

11:50 – 12:10

Fairness, Status and Intergenerational Mobility in Europe
Andrew Clark (London School of Economics)

12:10 – 12:50

Do we agree on our differences? A cross-county perspective on the perceptions of inequality
Emanuele Ciani and Thomas Manfredi(OECD)

12:50 – 13:50 Lunch break (lunch provided)

13:50 – 14:30

Determinants of subjective well-being in European regions: fairness of income and relative deprivation
Julia Włodarczyk (University of Economics in Katowice)

14:30 – 15:10

Perceived fairness of the EU and public support for the integration process
Marcello Natili (University of Milan)

15:10 – 15:40 Coffee break

15:40 – 16:20

A European crisis in institutional trust, beliefs and perceptions of well-being
Evgenia Passari (University of Paris-Dauphine)

16:20 – 17:00

The impact of policy design on public support for European-level Unemployment Risk Sharing: Evidence from a Multi-country Survey Experiment
Theresa Kuhn and Francesco Nicoli (University of Amsterdam)

17:00 – 17:10

Concluding remarks
By Frank Siebern-Thomas (European Commission)

Abstracts

Fairness, Status and Intergenerational Mobility in Europe

Andrew Clark

London School of Economics and Political Science

(paper co-authored with Conchita D'Ambrosio)

This project aims first to document Europeans' views of fairness and how these have changed over time. The fairness information comes from the European Social Survey, European Values Survey and various waves of the ISSP. Life satisfaction information comes from the 2018 and 2013 special modules of EU-SILC. We will consider the role of comparisons in determining both fairness perceptions and subjective well-being. The first type of comparison will be horizontal (to those around you): we will consider the role of own income compared to reference-group income (that of those in the same region, of the same sex and with the same education etc.). The second will be vertical, and look at the role of parental work and occupation: Does the comparison of own occupation to that of parents influence subjective well-being and the perception of fairness?

Do we agree on our differences? A cross-county perspective on the perceptions of inequality

Emanuele Ciani and Thomas Manfredi
OECD

During the years following the Great Recession, perceptions of inequality of outcomes and opportunities have received increasing attention. Through protests and social media, citizens often depict social disparities that do not find correspondence in widely used objective measures. A growing body of evidence has highlighted a large degree of misperception in people's beliefs about the level of income inequality and social mobility (Gimpelson and Treisman, 2018; Alesina et al., 2018). Nevertheless, a clear interpretation of this misalignment is still lacking. We explore this issue by focusing on cross-country differences. To do so we combine data from several perception and opinion surveys (ISSP, European Values Survey, World Values Survey) with high-quality indicators from the OECD Income Distribution Database. Our analysis pays particular attention to the joint evolution of perceived and actual inequality over time. Differently from previous literature, our aim is not only to

assess the presence of misperceptions, but also to explain cross-country differences in the degree of such misalignment. Our aim is to understand whether this misalignment provides useful information about people's views and preferences regarding inequality. Moreover, following the normative approach to inequality measurement (Atkinson, 1970; Kolm, 1976), we assess whether individual views might be compatible with different degrees of inequality aversion and/or with an absolute rather than relative approach.

Determinants of subjective well-being in European regions: fairness of income and relative deprivation

Julia Włodarczyk
University of Economics in Katowice

(paper co-authored with Piotr Gibas)

The discrepancy between the objective situation and its subjective evaluation by economic agents has attracted the attention of many researchers. Individual perception translates into behavioral reactions, determining among others spending patterns, individual effort at the workplace or outcomes of political elections. The goal of our research is twofold. First, we aim to enrich the literature on the determinants of individual subjective well-being with investigations on the role of perceived fairness of income as well as measures based on relative deprivation. Second, we make an attempt to emphasize spatial aspects of investigated linkages. The research is based on the European Social Survey (ESS) Round 9 data (published on 31 October 2019) which include a module on justice and fairness in the context of respondents' income. We also use Eurostat regional data for 18 European Union countries. In the first part of the paper we employ ordered probit models. According to our baseline results, life satisfaction and happiness are positively related to such factors as subjective assessment of health, frequency of meeting with friends and relatives, satisfaction with the present state of the economy, absolute value of income, but also the possibility to live comfortably on present income and the perception of the fair level of income. Subjective well-being is declared to be slightly higher for women, people that not have been discriminated nor worked abroad and for those for whom it is not that important to be rich. Our baseline model is then augmented with variables based on relative deprivation and regional data. In the second part of the paper we resort to spatial economic analysis using GIS.

Perceived fairness of the EU and public support for the integration process

Marcello Natili
University of Milan

(paper co-authored with Alessandro Pellegata)

What is the impact of individual perceptions of fairness of how the European Union (EU) operates on citizens' support for the integration process? According to the state-building tradition in political science, which can be traced back to Weber and Rokkan, a key component of a political community is a generalized belief in the fairness of the territorial government. Whereas the existing literature explains public support for the EU with national economic and political factors, utilitarian calculations, national/European identity and party cues, to our knowledge no study has systematically investigated the role of perceived fairness. However, the multifaceted crisis that the EU recently experienced has strongly affected citizens' judgement about the role played by the EU and requires us to advance new explanations and to assess the impact of under investigated explanatory factors. Against this background, in this presentation we first provide a definition and an operationalization of the concept of fairness in how the EU works, building on the idea that a compound polity is fair when citizens perceive that each country is treated with equal respect. Second, we systematically describe how European citizens belonging to different EU member states and diverse socio-economic groups perceives the European Union as a fair or unfair project. Finally, we test whether perceptions of fairness contribute to explain support for the integration process while controlling for alternative factors that the literature considers relevant. To do this, we use original survey data collected within the framework of the REScEU project after the 2019 European elections in ten EU member states. The questionnaire includes original items on the concepts of fairness and European solidarity as well as several validated scales on different dimensions of support towards the EU and the integration process already present in other international public opinion research projects.

A European crisis in institutional trust, beliefs and perceptions of well-being

Evgenia Passari
Université Paris-Dauphine

The economic crisis, that has affected European countries disproportionately, has led to a divergence of trust, beliefs and subjective measures of well-being. Combining individual-level data from the European Social Survey with macroeconomic data from Eurostat, it is shown that crisis-hit countries and regions, mostly in the European South, have experienced a sharp decline of trust towards institutions, the domestic political system and the EU, less satisfaction with the government, the state of the economy, and life in general. This result also holds true when the analysis is carried in regional data. By exploring within country variation reverse causality issues are mitigated. The instrumental variables results lend further support to the findings and validate the conjecture that business cycle effects are a driver of trust and beliefs. Generalized social trust and social perceptions of fairness are also affected but the magnitude of these effects is found to be much smaller.

The impact of policy design on public support for European-level Unemployment Risk Sharing: Evidence from a Multi-country Survey Experiment

Theresa Kuhn and Francesco Nicoli
University of Amsterdam

Commission President Ursula von der Leyen announced that the Commission would pursue work on the organization of a European re-insurance of national unemployment benefit schemes. Are European citizens ready to share the risk of unemployment crises hitting their countries? To shed light on that question we conducted a conjoint survey experiment on public support for European unemployment risk sharing (EURS) among a representative sample of 19641 respondents in 13 European member states in October and November 2018. The conjoint experiment studies citizen preferences for policy proposals, implementing EURS, that vary on six dimensions: (1) generosity, (2) education and training conditions, (3) between-country redistribution, (4) national versus European administration, (5) impact on taxes, and (6) conditions with regard to individual job search effort. Fundamental opposition to EURS is confined to a small segment of the European population. In all countries in the sample, there are potential majorities for specific policy packages that organize EURS. However, our results show that policy design matters for public support. We test hypotheses w.r.t. to all six dimensions, and show that the dimensions in which 'conditionalities' are at play (dimensions 6 and 2) and the generosity of

the scheme (dimension 1) are particularly important in gathering sufficient public support. In other words, significant sections of the European population are ready to engage in cross-border solidarity, not on a 'minimal base' (whereby the solidarity scheme is minimally 'intrusive' with regard to the substance of the policies that have to be implemented), but on the basis of a well-developed policy packages that combine social investment policies with relatively generous minimum benefits. Simultaneously, in most of the countries under review respondents prefer national rather than European administrative management in the implementation of such solidarity.

The venue

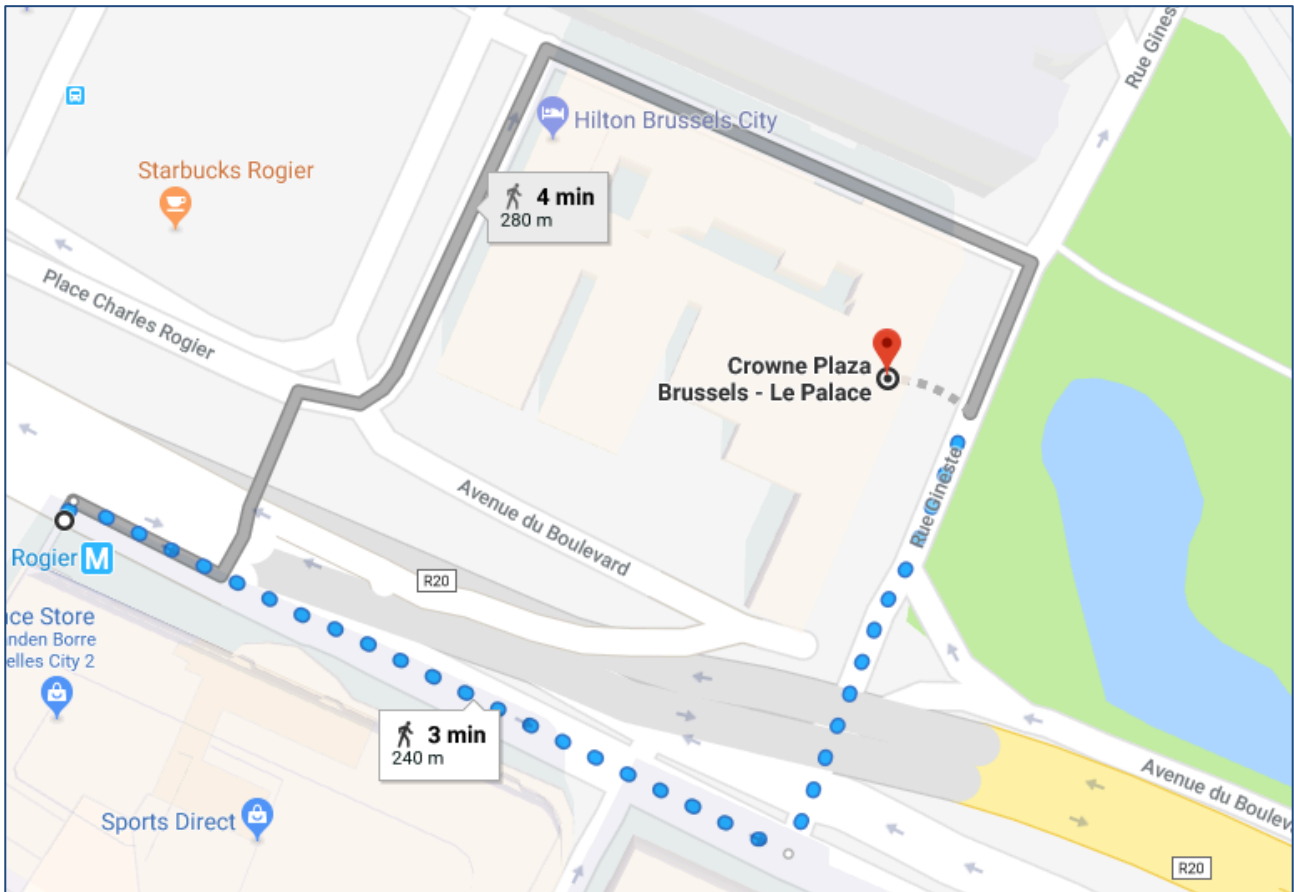


Crowne Plaza Brussels
'Evasion' room
Floor 1

Rue Gineste 3,
1210 Brussels, Belgium

Metro: Rogier

Travel information



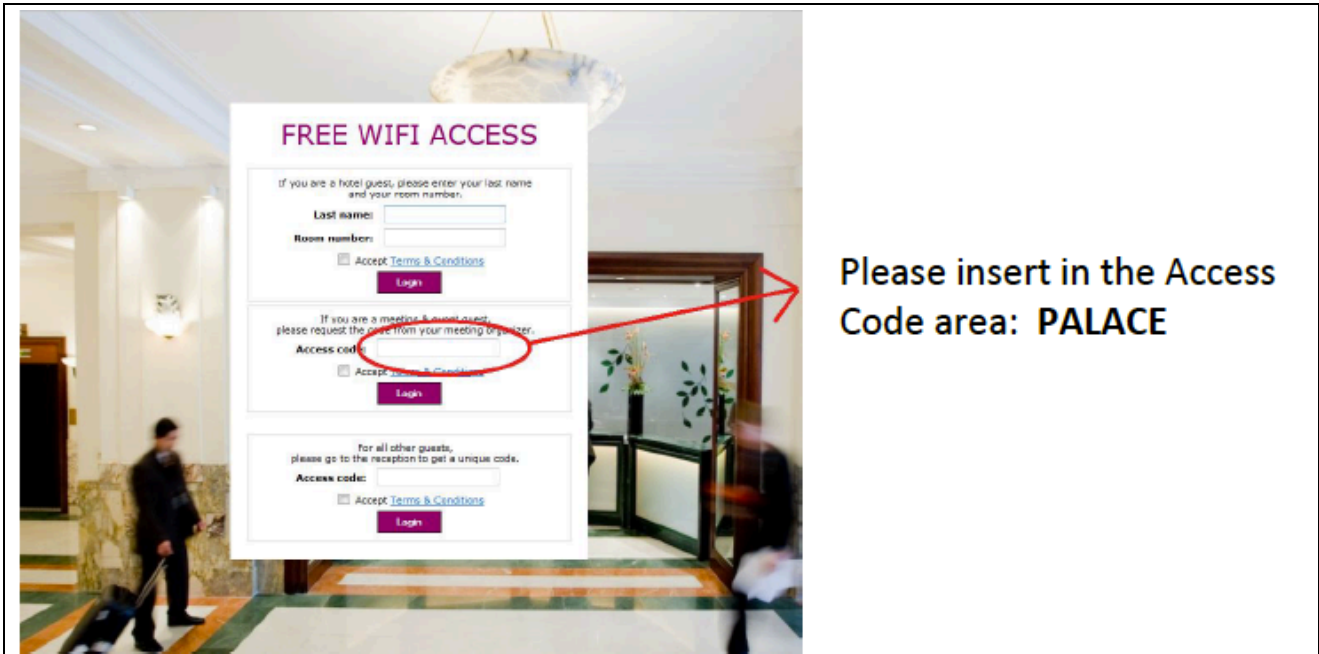
| Starting point | Time to Crowne Plaza | How |
|------------------------|----------------------|--------------|
| Metro Rogier | 3 min | Walk |
| Brussels North Station | 6 min | Walk |
| Brussels Midi Station | 18 min | Tram 3 or 4 |
| DG Employment | 14 min | Metro 2 or 6 |

On-site services

Wifi

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Contact and registration

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