Economic inequality and subjective wellbeing across the world

Andrew E. Clark and Conchita D'Ambrosio

Abstract: We use repeated cross-section data from the Afrobarometer, Asianbarometer Latinobarometer, and Eurobarometer to analyse the variables that are correlated with current and future evaluations of standards of living. We consider resource comparisons (the gap in resources between richer and poorer individuals) and the normative evaluation of distribution (conditional on these gaps), given by the Gini coefficient. The 'typical' pattern of a negative effect of gaps on the better-off but a positive effect of gaps on the worse-off is found only in Europe: gaps for the better-off in Africa and America have no correlation with current life evaluations and are associated with more positive expectations of the future. There is no positive estimated coefficient for gaps to the worse-off in Asia. The Gini coefficient is negatively correlated with current life evaluation only in Asia. On the contrary, future life evaluations are more positive in more unequal countries in Africa and America.

Key words: barometers, Gini coefficient, inequality, living conditions, relative deprivation, WIID

Acknowledgements: We are very grateful to Anthony Lepinteur for excellent research assistance. Conchita D'Ambrosio gratefully acknowledges financial support from the Fonds National de la Recherche Luxembourg.

The book is available open access at:

https://global.oup.com/academic/product/inequality-in-the-developing-world-9780198863960?facet_narrowbypubdate_facet=Next%203%20months&lang=en&cc=fi#