

## Social Conflict Perception Between Long-term Inequality and Short-term Turmoil: A Multilevel Analysis of Seven Countries Between 1987 and 2009

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# Social Conflict Perception Between Long-term Inequality and Short-term Turmoil

A Multilevel Analysis of Seven Countries Between 1987 and 2009

*Markus Hadler*

## Introduction

In 2011, social movements such as Occupy Wall Street, the Indignant Movement in Spain, and other groups sprung up in various countries, united by a criticism of existing social inequality and governmental austerity programs. One of their main points of contention was the large existing wealth and income differences between the rich and the poor, which was expressed aptly in the Occupy Wall Street movement's slogan: "We are the 99%", pointing to the wealth concentration among the top 1% of the US society (Keister 2014). These protests tempt us to perceive contemporary societies as contentious and laden with conflicts between the poor and the rich, whereas the death of class, declining relevance of class and conflicts etc. were announced a couple decades ago by scholars such as U. Beck (1986) and J. Pakulski and M. Waters (1996).

Given these opposing views, this contribution seeks to investigate the changes in the perception of conflicts between poor people and rich people, working class and middle class, and management and workers – henceforth summed up as vertical conflicts – over time and in a cross-national perspective. The ISSP data on inequality goes back to 1987. Since then, several events have occurred that could have shaped the perception of vertical conflicts: the collapse of the socialist systems in Eastern Europe, an accelerated deregulation of the labor market since the 1990s, the burst of the dot-com bubble in the early 2000s, the global financial crisis of 2008, and the recent problems of the European Euro zone. Such events can certainly influence the perception of vertical conflicts. Existing research on the perception of social inequality and conflicts (see Hadler 2003; Osberg and Smeeding 2006; Janmaat 2013; Edlund and Lindh 2015), however, also points to the impact of more stable socio-political circumstances such as political regimes, the institutionalization of market regulations, but also to the importance of affluence and actual levels of social inequality. In addition, the perception of conflicts can also differ among individuals within a given society, dependent on their socio-demographic characteristics and social attitudes.

The following section summarizes previous findings on the influence of the context and individual traits on conflict perception with a focus on the structural determinants of these views. This discussion of previous findings is followed by a brief overview of the data, variables, and analysis strategy. The subsequent results section starts with a country-level

overview of the changes in the conflict perception since 1987. These changes are then discussed in relation to the particular political and socio-economic developments in these countries. A multilevel model analyzing the influence of societal and individual characteristics concludes the result section. The final discussion and conclusion section points to the usefulness of multilevel models in identifying general trends and individual-level influences, but also emphasizes the role of specific country circumstances.

## Determinants of the Perception of Vertical Conflicts

Disputes over the distribution of resources frequently undergird conflicts between individuals in lower social positions and individuals in higher social positions (Janmaat 2013). The distribution of income and wealth is commonly measured by the GINI index, which is an indicator of income or wealth concentration. It is 0 if resources would be distributed equally among all members of a society and 1 if all resources would be owned by a single individual. Research considering this measure among other societal characteristics such as affluence and political regimes has indeed identified independent effects on the perception of vertical conflicts (Hadler 2003; Haller and Eder 2015). As expected, conflicts are perceived as stronger within more unequal societies and as less pronounced in more equal societies.

The level of inequality is not a given, but can be influenced by political interventions. Early discussions revolved around class conflicts and their institutionalization in forms of collective bargaining agreements and similar mechanisms, which resulted ultimately in the development of different welfare regimes (Geiger 1949; Esping-Anderson 1990). The absorption of working class struggles into the political arena and the development of extensive welfare regimes have decreased income differences and led to a better cohesion among different social groups (Rothstein and Uslaner 2005, 46). Inequality and social conflicts are thus lower in societies with strong welfare regimes and institutionalized conflict and bargaining processes (Hadler 2003).

Over time societies have also become more affluent. The German sociologist Ulrich Beck (1986) thus proposed that intra-societal inequalities have lost their relevance as the entire population has become more affluent. He considered this an 'elevator effect,' which increases the overall wealth, while keeping the internal differentiation and inequalities unchanged. The declining relevance thus refers only to the subjective perception. In addition, according to Beck, vertical inequalities are overshadowed by other risks such as environmental threats that affect all members of a society, regardless of their societal position, which in turn results in a further declining relevance of vertical conflicts.

Recent social movements such as Occupy Wall Street have shown that internal inequalities are still recognized and a source of contention. The timing of the protests – after the global financial crisis of 2008 and the subsequent visibility of inequalities and injustices – matches the well-known J-curve discussed in social movement literature (Buechler 2000). Discontent often arises when the expectation of a sustained growth – or a continued elevator ride using Beck's metaphor – are not met. Insofar, we can also expect that the percep-

tion of vertical conflicts is influenced by the negative effects of brief economic crises and larger societal transformations such as the post-communist transitions in Eastern Europe.

These societal trends can affect the members of a society very differently. A crucial element is an individual's exposure to a conflict (see Kimmelmeier and Winter 2000; Morris and Su 1999). Individuals have a tendency to exaggerate differences the more exposed they are to one side of a conflict. Kimmelmeier and Winter's experiment on the perception of the Iraq conflict, for example, showed that the very same information was perceived differently depending on the role – army member, historian, or conflict mediator – the respondents were assigned. Similarly, in relation to inequality, Verwiebe and Wegener (2000) pointed out that income inequalities are perceived as stronger by respondents who consider themselves lower in the social stratification. Hadler (2003) applied this concept to the perception of vertical conflicts and was able to identify a curvilinear association. The perception is stronger among respondents who consider themselves as members of a lower stratum, followed by members of the higher stratum. Respondents who considered themselves as members of the middle stratum considered the vertical conflicts as the least strong.

The knowledge aspect also points to the importance of education. Research has shown that better educated individuals consider social inequality and vertical conflicts as less strong. In addition, the perception also differs between younger and older respondents. These age differences are frequently explained with different socialization experiences and change in individual values such as an increasing post-materialism (Inglehart and Baker 2000). Finally, gender is also an important mediator due to differences in exposure to inequalities, with women usually being more often disadvantaged and thus more critical towards social conflicts.

Research on social protest has also shown that objective contextual characteristics need to be accompanied by a feeling of injustice in order to political actions becoming widespread (Buechler 2000; Smith and Wiest 2012). As discussed above, when referring to the J-curve, we thus need to consider the individuals' judgment of inequality as well. In this regard, research has shown that individuals who perceive their society as rather unequal and ridden by inequality also perceive conflicts as more severe (Hadler 2003).

In sum, we can expect that vertical conflicts are considered as stronger by respondents who see themselves as members of a lower stratum, individuals who perceive the inequality in their country as too large, younger respondents, less well educated individuals, and women. These individual traits are embedded in different societal circumstances. Here, we can expect that the conflict perception is lower in more affluent societies, rather equal societies, and societies with a strong redistributive welfare regime.

## Data and Research Methods

The analysis considers the seven countries that have fielded all four waves of the ISSP data on inequality. The resulting sample comprises 42,493 respondents and the following countries: Australia, Austria, Germany, Hungary, Poland, United Kingdom, and the United States. Germany, in addition, is also split into East- and West-Germany due to the different political histories. The 1987 wave of the ISSP data, however, is available only for West-Germany.

The dependent variable is based on a set of ISSP questions on the perception of different conflicts in a society. The question wording is:

*In all countries, there are differences or even conflicts between different social groups. In your opinion, in <country> how much conflict is there between a) poor people and rich people, b) working class and middle class, c) and management and workers?*

*The answer categories are: Very strong conflicts, strong conflicts, not very strong conflicts, and there are no conflicts.*

The respondents' answers to these three items were summed up to a single scale, divided by the total number of a respondent's valid answers, and reverse coded. The dependent variable ranges from 0 to 3, is almost normally distributed, and can be interpreted in a way that 0 indicates that a respondent does not perceive any conflicts and 3 that a respondent perceives very strong conflicts.

Independent variables at the individual-level are: age (in years), education (5 point scale with no formal education=1 and a University degree=5), gender (male=0, female=1), subjective social position (10 point scale with 1=at the bottom and 10=at the top), and a question on the respondents' assessment of the existing societal income inequality, with 1 indicating that the inequality is too large and 5 that it is too small. Table A1 provides an overview of the major statistics for these variables.

Independent variables at the macro-level are the level of inequality (GINI index) and the level of affluence (GDP per capita). Both measures are included in two different ways in the multilevel model: As a country-level variable that describes the overall level of inequality (or affluence, respectively) in a given country and a measure that captures the changes over time. The models are thus able to differentiate between cross-sectional and over-time effects of a given variable (see Deeming and Jones 2015 for more details on this modelling strategy). Furthermore, the dominant political regime is considered in the descriptive analysis, with Australia, United Kingdom, and the United States representing liberal regimes; Austria and Germany-West continental welfare regimes, and Germany-East, Hungary, and Poland post-communist regimes. These macro-level data were derived from OECD, World Bank, and different research papers in case the first two sources had insufficient information (see Table A2 for more details).

The results section starts with a graphic on the perception of conflicts across countries and over time. This graphic is based on the aggregated values of the perception index described above. The subsequent multilevel analysis (see Table A3 for the regression equation) estimates the influence of both societal and individual-level factors on the perception of conflicts. Its set-up follows the structure of the data, with countries as the highest level,

changes within countries as the middle level, and individual responses as the lowest level. The number of country-level observations, however, is very small and their effects thus need to be interpreted with caution (Stegmueller 2013). Therefore, alternative regression models that include countries as fixed effects were estimated as well. These models yielded similar results and are thus not reported.

## The Perception of Vertical Conflicts over Time

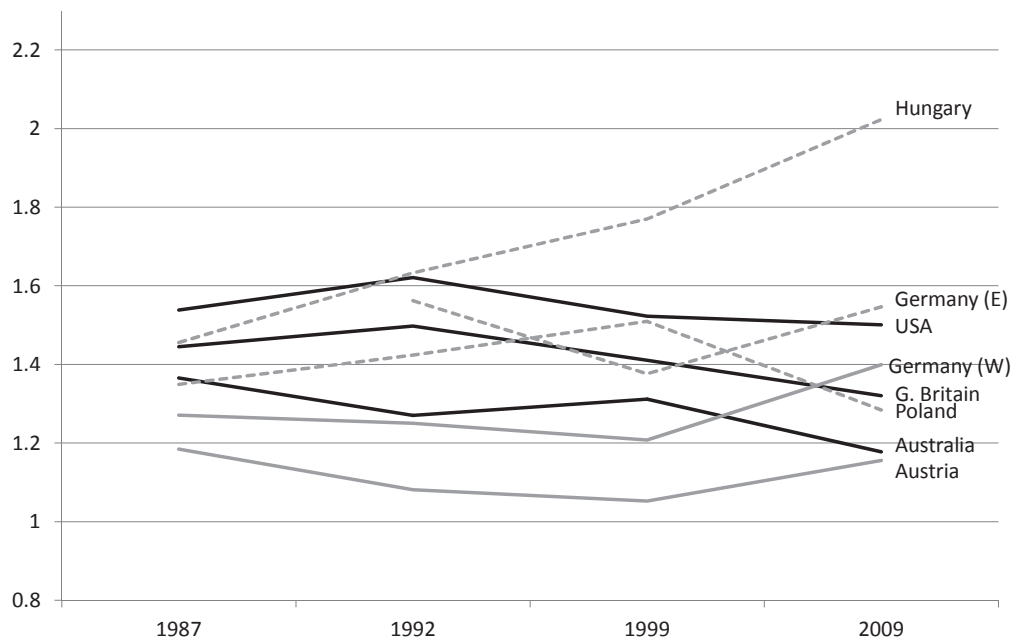
Figure 1 shows the changes in conflict perceptions between 1987 and 2009 for each country. The lines represent the average score at a given time point and are formatted according to the political regimes. Dark lines indicate liberal regimes, dotted lines post-communist regimes, and grey lines continental welfare regimes. As for the strength of the conflict perception, a value of 0 represents the answers “there are no conflicts,” 1 “not very strong conflicts,” 2 “strong conflicts,” and 3 “very strong conflicts” when considering the underlying questions. Overall, the average perceptions thus lie between not very strong conflicts and strong conflicts.

Considering 1987 only, these conflicts were considered relatively strong in the United States, followed by Hungary, Great Britain, Australia, and Poland. They were seen as relatively weak in West-Germany and Austria. The 1987 ranking confirms the expectation that welfare states are able to mitigate the effects of inequalities and that vertical conflicts are perceived as rather weak by the public in these countries. It is, however, interesting that the then socialist countries Hungary and Poland do not differ much from the more liberal states Great Britain and Australia. A closer look at the specific perceptions in Hungary and Poland in 1987 shows that the respondents are the most concerned about conflicts between rich people and poor people and the least about conflicts between workers and the management. This might be a reflection of hidden inequalities such as differences in access to goods between the political elites and ordinary citizens, mixed with the ideology of equality at and social welfare via the work place (Henderson, McNab and Rózsás 2005).

This initial ranking changes from 1987 to 2009, with a few trends being of particular interest. Figure 1 depicts a continuous and substantial increase in conflict perception in Hungary. This former socialist country ends up as the country in which the population perceives the strongest conflicts among the countries of our sample. Such a continuous increase is not observable in the two other former socialist countries. In East Germany, where the survey was fielded only from 1992 onwards, the public perceives the strength of vertical conflicts quite similar to Hungarians in 1992. This assessment is followed by small decline to 1999 and a rebound in 2009. In Poland, finally, the perception of conflicts increases from 1987 to 1999, but drops afterwards.

The opposite trend – a continuous decline in conflict perception – can be seen in the liberal country Australia. In 1987, the conflict perceptions of Australians were in the middle of our sample, below the two other liberal countries – USA and Great Britain – and above the two welfare states Austria and Germany. In 2009, the conflict perception in Australia is less pronounced than in West Germany and a comparable level to Austria. The distinction between continental European welfare states and liberal states, which were aligned with

the conflict perceptions in these two groups in 1987, is thus has lost some of its distinctiveness over the period of the surveys.



Source: ISSP 1987, 1992, 1999, and 2009. Aggregated values calculated based on respondents' answers to the question of the conflict strength between "poor people and rich people," "working class and middle class," and "management and workers." 0 = There are no conflicts. 3 = There are very strong conflicts. See methods and data section for more details. Dotted lines: former socialist societies. Dark solid lines: Liberal regimes. Grey solid lines: Continental welfare regimes.

Figure 1 The perception of vertical conflicts between 1987 and 2009

The trends in Hungary and Australia are statistically significant<sup>1</sup> and can possibly be explained by the unique political and economic developments in these countries. The increasing conflict perception in Hungary – a description that also holds up when considering the full sample of countries that fielded any of the ISSP surveys on inequality – resonates with the political turmoil and economic developments in this country after the fall of the Iron Curtain (see Ágh 2013; Csaba 2013). The liberalization of the market mixed with a reduction of social welfare in the early 1990s led to a recession and hardship for large parts of the population. Parallel, the political leadership kept changing constantly. The government shifted almost every single election between a more conservative and a more socialist party and it took until 2006 – when the socialist party MSZP was re-elected – that a government remained in power. This victory, however, was soon followed by protests, when a private speech of Prime Minister Ferenc Gyursány become public, which included a

1 Based on a multilevel model that includes interactions between time and country in addition to the individual level variables depicted in Table 1.



statement that the party had lied to win the 2006 election. This political turmoil was soon followed by the global financial crisis of 2008, which hit Hungary hard and led once more to a recession. Given these problems, it is not surprising that the conflict perception has increased throughout the entire period.

Contrary to Hungary, the two other former socialist countries in our sample, East Germany and Poland, experienced a much smoother transition. East-Germany was integrated into an existing flourishing democracy and its special path was thus dubbed “Sonderweg” (Offe 1994). Accordingly, the conflict perception declines from 1992 and increases only again from 1999 to 2009 – possibly due to first effects of the beginning global financial crisis. Poland, the third post-communist society, also went through an initial shock therapy including market liberalization efforts and cuts in welfare support after the fall of the Iron Curtain (Kolodko 2013). Poland, in contrast to Hungary, however experienced a sustained increase in GDP and was able to avoid the worst effects of the global economic crisis in 2008. Aligned with these events, the conflict perception increased only initially and then declines from 1999 to 2009.

Finally, the continuous decline in conflict perception among Australians could be related to the recent economic past in this country. Australia has had an uninterrupted economic growth for over 20 years and was able to avoid most of the negative effects of the global financial crisis of 2008 (see Saunders and Wong 2012). These developments are unique among the liberal countries of our sample, given that both the United States and Great Britain have faced economic turmoil in the same period. Australia thus could represent an ideal depiction of Beck’s (1986) elevator metaphor, given that its level of inequality is still higher than in Austria – the only other country with a similarly low level of conflict perception in 2009.

These interpretations are based on the descriptive trends depicted in Figure 1 and thus should be also tested for their statistical significance. The following section presents the results of various multilevel models which estimate the effects of the country level factors considered in this section and thus allow for verifying the interpretations offered so far. Furthermore, these models also include individual level characteristics such as age and education and add another layer to the macro-level interpretations brought forward so far.

## Determinants of Vertical Conflict Perception: Multilevel Model

This section reports the outcomes of various multilevel regressions that simultaneously estimate the effects of country-level and individual-level characteristics on the perception of vertical conflicts. The results are reported in Table 1 and split into four different substantive models. The empty model shows the variances at the three different levels and can be used as a baseline for gauging the explanatory power of the subsequent models. Model 1, then, considers individual socio-demographics as independent variables. Model 2 adds the subjective views on social position and inequality to the previous model. Model 3 includes both individual and societal characteristics. In addition, various interaction models were tested to estimate the specific country level developments described in the



previous section. Their results are discussed in the text, but not depicted in the table due to the large number of different models and predictors.

Table 1 reports the unstandardized coefficients, their direction and significance, and the standardized values. For an easy readability, only the standardized Beta coefficients, the direction and the significance need to be considered. Their absolute value indicates the strength of their influence. As for the sign, a positive value means that the conflict perception increases, when the independent variable increases, and a negative value that the conflict perception decreases, when the independent variable increases. Older respondents thus consider conflicts weaker than do younger ones. The asterisks indicate that an effect is statistically significant – which is the case for all individual characteristics, but not for all country-level variables.

*Table 1* Individual-level and contextual determinants of conflict perception\*

Independent Variables	Empty Model	Model 1		Model 2		Model 3	
		B	Beta	B	Beta	B	Beta
<i>Constant</i>	1.406**	1.497**		2.169**		1.646**	
<i>Socio-demographics</i>							
Female		.060**	.049	.053**	.042	.053**	.042
Age		-.002**	-.054	-.002**	-.054	-.002**	-.054
Degree		-.040**	-.092	-.027**	-.061	-.027**	-.061
<i>Subjective views and attitudes</i>							
Subjective Social Position				-.095**	-.074	-.095**	-.074
Squared				.007**		.007**	
Perception of Income Differences				-.310**	-.178	-.305**	-.177
Squared				.041**		.041**	
<i>Contextual characteristics</i>							
Overall time effects (wave)						.033	.059
Country affluence (GDP *1000)						-.010	-.137
GDP growth (*1000)						-.007	-.088
Country inequality (GINI)						.023*	.180
Gini growth						.016	.057
<i>Remaining variances</i>							
Country-level	.027†	.028†		.024†		.014†	
Time-level	.013**	.013**		.009**		.008**	
Individual-level	.354**	.350**		.337**		.337**	

\*Linear hierarchical regression with three levels. IGLS estimation. 40,159 valid cases out of a total sample size of 42,493. Also included as independent variables but not shown in this table: embedded variables for missing answers in subjective social position and the question about income differences (see appendix for the full specification of Model 3.) Beta values for quadratic effects were calculated by restricting them to linear effects. Significance: † $p < .1$ , \* $p < .05$ , and \*\* $p < .01$ .

In addition, the remaining variances are reported in the bottom rows of Table 1. The empty model – a model without any independent variable – can be used as a baseline, with any

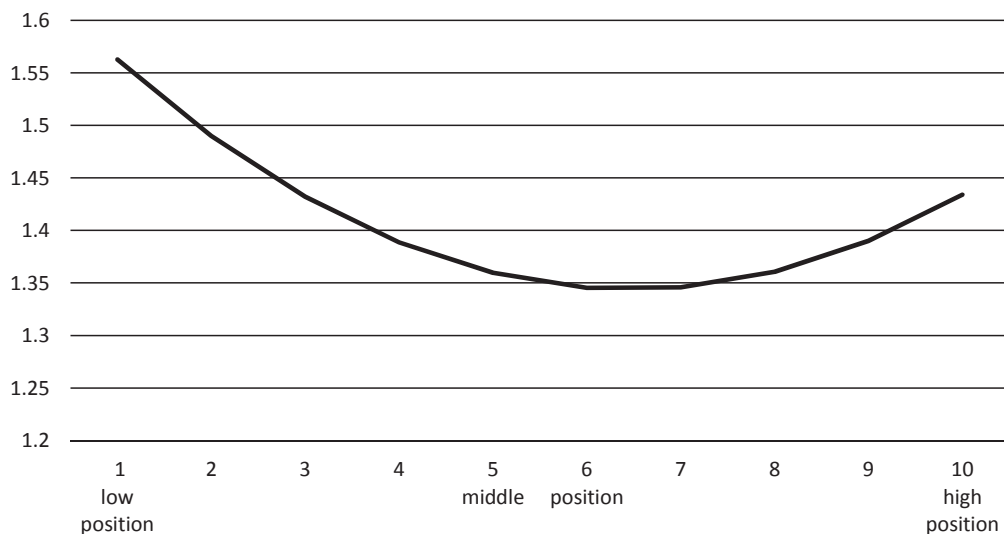
decrease in the sum of the variances in the subsequent models indicating an increase in the explanatory power. All three models are able to improve the explained variance significantly, with the total of the remaining variances decreasing consecutively with each additional set of independent variables from Model 1 through Model 3.

The findings regarding the individual variables are consistent across all models. Vertical conflicts are perceived as stronger by women, younger respondents, and less well educated individuals. The effects of gender and education are in line with the initial expectations, whereas the negative effect of age opposes the view that an underlying value change results in a more harmonious picture of a society among younger respondents. The age effect is rather in line with social movement literature and the recent observations that the participants of the Occupy Wall Street protests are younger and more discontent with existing inequalities. In terms of effect strength, education has the strongest effect among the included socio-demographic variables, followed by age and gender.

As for the subjective social position of a respondent, the regression was able to identify a curvilinear effect on the perception of vertical conflicts (see Figure 2a). Respondents who place themselves at the lower end of the social stratum consider vertical conflicts as stronger than respondents who place themselves in the middle. Individuals who see themselves at the top of the social strata consider vertical conflicts as stronger than do respondents in the middle, but not as strong as those at the bottom of the social stratification. This relationship matches the expectation that the perception of a conflict is stronger among the most exposed individuals – here respondents seeing themselves either at the bottom or the top of their society. The impact of this subjective placement is outshone only by the effect of the inequality perception among the individual-level variables.

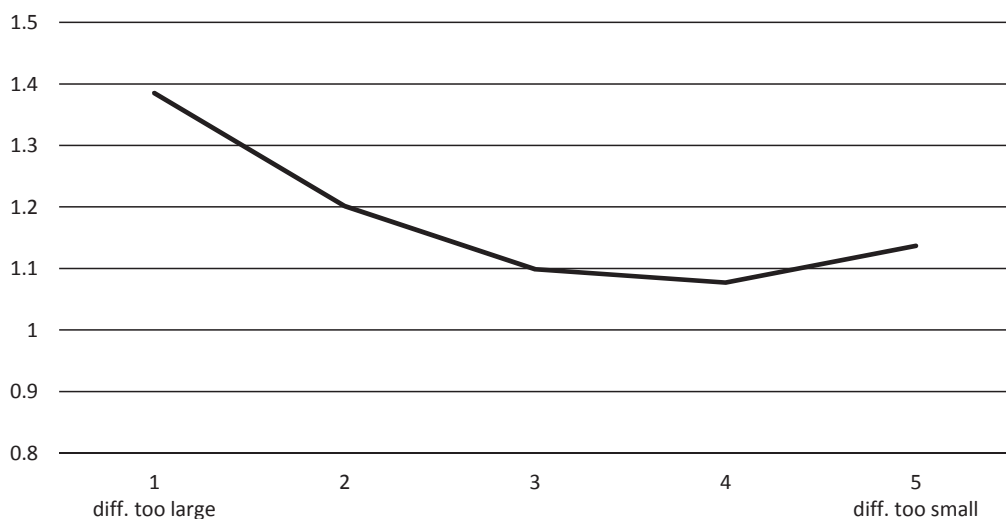
The individual perception of the existing societal inequality has the strongest effect on the conflict perception among all included individual-level variables. This finding is less surprising given the substantive similarities between this attitudinal item and the dependent variable. As with social position, a curvilinear association between the view on inequality and conflict perception can be reported (see Figure 2b). Respondents who consider existing income differences as ‘too large’ perceive the strongest conflicts. The conflict perception then reduces with a declining agreement to the question about the magnitude of income differences, and then levels out with only a minor increase among those respondents who think that existing differences are too small. Again, this finding corroborates the expectation regarding the positive effects of a critical assessment of inequality on conflict perceptions.

Model 3 then includes the contextual variables affluence, inequality, and their changes over time, whereas the regime variables have been dropped due to the inconsistent trends observed in the descriptive analysis. Model 3 shows that only the overall level of societal inequality (GINI Index) has a significant effect on the conflict perception. The larger the overall inequality, the stronger are conflicts considered. The change of inequality from one wave to the next wave, however, is not significant. The perception of social conflicts thus is rather influenced by long term levels of inequality and not by short term fluctuations of this indicator, when considering the entire sample of countries.



\*Y-axis shows estimated conflict perception (0= no conflicts, 3=very strong conflicts). Based on Model 3 of Table 1. Calculation considered the constant plus the linear and quadric effect of subjective social position.

Figure 2a Subjective social position and the perception of vertical conflicts



\*Y-axis shows estimated conflict perception (0= no conflicts, 3=very strong conflicts). Based on Model 3 of Table 1. Calculation considered the constant plus the linear and quadric effect of attitudes towards existing income differences.

Figure 2b Views on existing income inequality and the perception of vertical conflicts

As pointed out in the previous section, some countries have experienced very unique trends. The models presented in Table 1, however, follow the assumption that similar trends affect all countries and thus are not able to grasp country-specific effects. Therefore, interactions between a categorical country variable and time, country and GDP growth, and country and GINI growth were tested. The model with the country specific trajectories over time showed that the decline in Australia and the increase in Hungary are significant. The models with country-specific growth effects of GDP and GINI showed that the perceptions of conflicts are independent from these two indicators in the welfare countries Austria and West-Germany (none significant) and that respondents in liberal countries are quite sensitive to inequality increases and somewhat to the change in wealth (GDP negative in AUS and GB, GINI positive in AUS, GB, and USA). The former socialist countries, finally, are characterized by diverse effects (different directions and significances) and thus cannot be summarized easily.

In sum, these multilevel analyses add to our descriptive findings of the previous section that the conflict perception differs within countries, dependent on various individual socio-demographics and subjective views. They also corroborate the country specific trajectories over time and offer some clues as far as possible sources of these changes are concerned. However, as pointed out in the methods section, the number of countries in this analysis is rather small. The question of the influence of wealth and social inequality thus should be also revisited using larger country samples, which are available for single waves of ISSP data on inequality (see Edlund and Lindh, chapter 3 in this book). The interpretation offered in the final section thus focuses on the specific set of countries used in this study and combines the regression results with the more specific trajectories discussed earlier in this contribution.

## Discussion and Conclusions

This contribution focuses on the individual perceptions of conflicts between poor people and rich people, working class and middle class, and management and workers – summarized as the perception of vertical conflicts – between 1987 and 2009 in Australia, Austria, Germany, Hungary, Poland, United Kingdom, and the United States. After considering the changes over time at the national level and analyzing the underlying individual and societal determinants of this conflict perception, what can be said regarding the big societal transformations of the last decades and their impact on individuals' perceptions? Did we move towards more conflict laden societies as the recent protests around inequalities in the United States and different southern European countries suggest? Have all societies experienced similar trends or are there some idiosyncratic trajectories?

This contribution addressed these questions in different analytical ways using four waves of ISSP data on social inequality: Firstly, by tracing the aggregated trends over time in all included countries and discussing the developments in specific countries in more detail; secondly, by estimating the impact of the more general societal characteristics affluence and inequality in multilevel models; thirdly, by considering the impact of individual socio-demographics and subjective views on the respondents' conflict perceptions within

the same multilevel models; and finally, by setting up specific interaction effects based on the interpretations of the descriptive findings presented earlier in this contribution.

The general trends depicted in Figure 1 showed that the perception of vertical conflicts has changed only slightly in the seven countries considered in this study. This initial analysis, however, also highlighted that Hungarians represent an exception with a steady increase of conflict perception. The discussion of this specific trend pointed to the unique political and economic struggles in this former socialist country, which were more severe than in Poland or East Germany. East-Germany was integrated into West-Germany and merged with a well-functioning affluent society – a transition which was thus dubbed a special path “Sonderweg” by scholars such as C. Offe (1994). Hungary and Poland both experienced harsh sociopolitical and economic shifts after the fall of the Iron Curtain, which were initially – as the present analyses showed – paralleled by increasing perceptions of conflicts in both countries. Poland, however, experienced later a sustained growth, which is accompanied by a recent decline in conflict perception. The multilevel models confirmed this specific trend in Hungary and showed – in line with this interpretation of country specific trajectories in these former socialist countries – that the effects of social wealth and social inequality differ substantially within this group.

Figure 1 also indicated a specific trend in the liberal country Australia. It started out with a rather strong perception of conflicts among its public, but ended up in 2009 next to Austria – the country where vertical conflict are considered the least strong. The multilevel model showed for liberal countries that economic growth correlates with decreasing conflict perceptions and growing inequality with increasing conflict perception. Australia is an exemption among these countries as it has experienced an uninterrupted economic growth for over 20 years and was also able to avoid most of the negative effects of the global financial crisis of 2008 (see Saunders and Wong 2012). Australia is thus an ideal depiction of Beck’s (1986) elevator metaphor that increasing wealth is able to overcome the effects of inequality. Nonetheless the question remains if such effects are lasting. Prolonged periods of growth are an exception, might come to an end, and may result in increased conflict perception as seen in Hungary.

Alongside these country-specific trends, the multilevel models were able to find a significant effect of inequality. Overall, conflicts are perceived stronger whenever societal inequality is large, which is in line with existing research (Hadler 2003; Haller and Eder 2015). In addition to these findings at the country-level, conflict perception also differs within the population of a given country. The analyses showed that the most exposed individuals – women, poorly educated, and those at the lower end of the social stratum – are more aware of vertical conflicts. Additional models – not presented in the tables – also indicate that the differences in conflict perceptions between those at the bottom and those at the top of their society are more pronounced in liberal countries than in welfare states. We thus can see a stronger differentiation within liberal societies than in continental Europe. These findings resonate with Osberg and Smeeding’s (2006) result of a greater polarization of American’s views in terms of inequality. In addition, we can also suspect that this stronger polarization is one of the reasons why the Occupy Wall Street protests started in the United States despite only a minor increase in the overall conflict perception.

In sum, this contribution was able to show that the perception of vertical conflicts is influenced by both rather stable societal characteristics such as the existing level of

inequality and country specific trends and events – as seen in the Hungarian political and economic turmoil. At the same time, the conflict perceptions also vary substantially within societies, dependent on an individual socio-demographics and subjective views. A thorough analysis of conflict perceptions thus needs to consider all three aspects – general trends, specific circumstances, and individual characteristics.

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## Appendix

**Table A1. Descriptive statistics of independent individual-level variables**

	N	Minimum	Maximum	Mean/%	Std. Deviation
Conflict	40794	.00	3.00	1.40	.62
Gender (female)	42436	0.00	1.00	54%	
Age	42296	16.00	98.00	46.49	16.77
Degree	41997	.00	5.00	2.37	1.44
Subj. social position	40789	1.00	10.00	5.24	1.77
Inc. differences too small	38920	1.00	5.00	1.96	.96

**Table A2. Overview of country-level characteristics**

	Regime	GDP				GINI			
		1987	1992	1999	2009	1987	1992	1999	2009
USA	Liberal	20,055	25,452	34,585	46,930	37	37.6	40.2	41.1
G. Britain	Liberal	14,430	18,169	25,149	36,295	35.5	36.2	38	38
Australia	Liberal	15,929	19,014	26,765	40,578	33.2	33.7	34.1	35
Austria	Cont. Welfare	15,842	21,327	27,753	40,642	23	23.8	25.2	26.1
Germany	Cont. Welfare	15,401	21,262	25,764	37,082	28.6	30	29.4	30.6
Hungary	Post-communist	6,304	8,225	11,222	20,801	21	27.9	27.8	29.4
Poland	Post-communist	4,291	6,037	10,022	18,981	25.5	26.7	32.6	33.6

*Main Sources:* GDP: OECD. GINI: Worldbank; Verwiebe et al. (2013). When data were not available for a certain year, the closest available data were chosen.

**Table A3. Specification of Model 3 presented in Table 1**

$$\text{CONFLICT}_{ijk} \sim N(XB, \Omega)$$

$$\text{CONFLICT}_{ijk} = \beta_{0ijk} \text{const} + 0.052627(0.005834) \text{female}_{ijk} + -0.002327(0.000183) \text{age}_{ijk} + -0.026953(0.002402) \text{degree}_{ijk} + -0.094525(0.007156) \text{SubjSocPosition}_{ijk} +$$

$$-0.251484(0.025653) \text{SubjSocPos\_missing}_{ijk} + 0.007295(0.000694) \text{SubjSocPos\_squared}_{ijk} + -0.305427(0.013529) \text{IncDiffTooLarge}_{ijk} +$$

$$-0.441457(0.019672) \text{IncDiff\_missing}_{ijk} + 0.040555(0.002655) \text{IncDiffSquared}_{ijk} + 0.033159(0.061368) \text{wave0123}_{ijk} +$$

$$-0.000010(0.000007) \text{GDP\_country\_average}_{ik} + -0.000007(0.000007) (\text{GDP-m}(\text{Country}))_{ik} + 0.022558(0.010927) \text{GINI\_country\_average}_{ik} +$$

$$0.016059(0.014092) (\text{GINI-m}(\text{Country}))_{ik}$$

$$\beta_{0ijk} = 1.646418(0.296347) + v_{0ik} + u_{0ijk} + e_{0ijk}$$

$$[v_{0ik}] \sim N(0, \Omega_v) : \Omega_v = [0.014030(0.008052)]$$

$$[u_{0ijk}] \sim N(0, \Omega_u) : \Omega_u = [0.007510(0.002307)]$$

$$[e_{0ijk}] \sim N(0, \Omega_e) : \Omega_e = [0.336527(0.002376)]$$

-2\*loglikelihood(IGLS Deviance) = 70349.239910(40159 of 42493 cases in use)