

# Economic inequality is linked to biased self-perception

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(Medical Xpress) -- Pretty much everybody thinks they're better than average. But in some cultures, people are more self-aggrandizing than in others. Until now, national differences in "self-enhancement" have been chalked up to an East-West individualism-versus-collectivism divide. In the West, where people value independence, personal success, and uniqueness, psychologists have said, self-inflation is more rampant. In the East, where interdependence, harmony, and belonging are valued, modesty prevails.

Now an analysis of data gathered from 1,625 people in 15 culturally diverse countries finds a stronger predictor of self-enhancement:

[economic inequality](#).

"We don't know the precise mechanism, but it seems unlikely that it is primarily an East-West difference," says University of Kent research associate Steve Loughnan. "It's got to do with how your society distributes its resources." The study—whose 19 collaborators represent 16 universities around the globe—will be published in an upcoming issue of *Psychological Science*, a journal of the Association for Psychological Science.

The study's participants, university students, were asked to rate themselves from 1 to 7 on various personality traits—how much of it they possessed compared with the average student; and how desirable the trait was. Four versions of the questionnaire listed different traits from among 80; the traits related to agreeableness, conscientiousness,

extroversion, open-mindedness, and emotionality. The analytic design adjusted for differing cultural values.

The researchers looked at the correlations between evidence of self-enhancement and the individualism or collectivism of a country, its “power distance”—the preference for an autocratic hierarchy versus relative equality of power—and its level of economic inequality.

What they found: Virtually everywhere, people rate themselves above average. But the more economically unequal the country, the greater was its participants’ self-enhancement.

Why is this so? This study doesn’t say. But other research suggests that competition, especially in winner-take-all situations, makes standing out important and this undermines modesty and encourages its opposite. That’s what happens in “highly polarized economies, where wealth at the top is gross and deprivation at the bottom is stark,” says Loughnan. But the effect can be evinced experimentally even in egalitarian, self-effacing cultures, like Japan. On the other hand, where resources are equally distributed, self-deprecation and blending in are more valued.

Loughnan says the study is important for “many domains of psychology.” Until recently psychologists have focused on individual factors affecting wellbeing, such as education or family. But this research shows that “macro-social” factors also matter. “We live inside societies that have certain political and economic realities. These affect how we think about the self and how happy we are.”

Economic policymakers should also take note. “We’re living through a time of considerable economic reform in Western countries,” he says. “The nature of that reform will have a big impact on people’s personal and social wellbeing.” Reform, then, “is not just about making the society richer, but how you distribute those riches.”

Provided by Association for Psychological Science

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