

Unequal Subjective Insecurity in Times of Crises? A Panel Analysis of Social Status and Crisis Perceptions

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Major crises such as the 2008 financial crisis and the COVID-19 pandemic have led to a significant economic downturn worldwide. Consequently, individuals may feel insecure about their own socio-economic circumstances. Indeed, there has been a widespread of subjective socio-economic insecurity since the financial crisis, especially in countries that were economically hard hit (Akaeda and Schöneck, 2022; Chung and van Oorschot, 2011; Lübke and Erlinghagen, 2014). Subjective insecurity is relevant in times of crises, as it addresses that individuals may perceive themselves vulnerable to economic and social changes in the society, regardless of their actual circumstances.

This paper analyses changes of subjective socio-economic insecurity in Germany from 2020 to 2022, after the outbreak of the COVID-19 pandemic. Compared to other European countries, Germany was economically moderately hit by the pandemic. The expansion of the short-time work has saved a sizeable share of the German population from losing their job. Against this background, it is particularly of interest to investigate the extent to which the Germans still feel insecure about their future socio-economic circumstances while encountering such a crisis and the government's coping strategies. Individuals' actual crisis experiences (e.g., job or income loss) should have an impact on their subjective insecurity. More importantly, I argue that subjective insecurity is driven by individuals' social status, their perceptions of their economic affectedness due to the pandemic and also, how they assess their own affectedness in comparison to others (Merton, 1968). Further, I differentiate objective and subjective social status (Evans and Kelley, 2004) to discuss their potentially different impacts on subjective insecurity.

I use data that contain four panel waves in Germany, collected in two research projects at University of Hamburg. Three measures of subjective socio-economic insecurity were included each wave since the second panel wave, i.e., in June/July 2020, April 2021 and July/August 2022: Respondents were asked to assess their risk in the next 12 months of 1) losing their job, 2) having financial difficulties and 3) have to drastically lower their standard of living. In addition, I obtain information on respondents' income and employment situation as well as how they perceive their own economic affectedness due to the pandemic and the affectedness of others in Germany. Data of the first panel wave, collected in March 2020, in turn contain objective and subjective measures of social status. This enables me to investigate to what extent subjective insecurity and its changes over time are related to social status

at the beginning of the pandemic. For empirical analysis I employ both OLS- and fixed effects models.

Descriptive statistics show that the Germans are overall less concerned about losing their job. Instead, they are more concerned about their economic situation, i.e., whether they will have financial difficulties or much lower living standard in the upcoming year. Subjective insecurity in both of the latter two aspects has also increased over time, especially in the summer of 2022. Regression results reveal that especially lower status groups are more likely to feel socioeconomically insecure. This negative association between social status and subjective insecurity holds when accounting for individuals' actual and perceived economic affectedness due to the pandemic. Besides, those with high actual or perceived affectedness exhibit higher insecurity. Individuals are also more likely to feel insecure when perceiving themselves more affected than others. Furthermore, I find that the observed increase of subjective insecurity over time is primarily driven by those with lower self-perceived social status. It seems that individuals who place themselves at the lower end of the social hierarchy feel particularly vulnerable during the pandemic. This suggests a more important role of subjective than objective social status for analysing subjective insecurity during a crisis.

For interpretation of the results, one should consider that the observed increase in subjective insecurity in summer 2022 could partly result from the Russia-Ukraine war and the accompanying energy crisis and inflation rises. Nevertheless, my findings reveal that social status, especially subjective social status drives the Germans' perceived insecurity in the last three years. My study adds to the literature on social inequalities and crises (e.g., Adams-Prassl et al., 2020; Córdoba-Doña et al., 2016; Christl et al., 2022; Nguyen, 2021) by providing evidence on reinforced inequality with respect to subjective insecurity in times of crises.