

REGULAR ARTICLE

Power or opportunity? Perceived inequality on life satisfaction explained by reduced trust in South Korea

Joonha Park¹  | Mohsen Joshanloo² 

¹Graduate School of Education, Kyoto University, Kyoto, Japan

²Department of Psychology, Keimyung University, Daegu, South Korea

Correspondence

Joonha Park, Graduate School of Education, Kyoto University, Yoshida Honcho, Sakyo-ku, Kyoto 606-8501, Japan.
Email: park.joonha.6n@kyoto-u.ac.jp

Abstract

This paper presents new evidence linking different aspects of perceived inequality (education, employment, law enforcement, income and wealth, power, and gender) to life satisfaction. Using large-scale national survey data, we examined the relationships between the six aspects of perceived inequality, life satisfaction, and generalized trust among South Koreans ($N=17,357$). Exploratory structural equation modelling identified a two-factor structure of perceived inequality: Opportunity Inequality (inequalities in education and employment) and Power Inequality (inequalities in income and wealth, law enforcement, power, and gender). Results from mediation analysis suggested that both aspects of inequality negatively predicted life satisfaction via reduced generalized trust. Those processes were consistent regardless of household income. The study underscores the critical impact that public perceptions of (in)equality in various opportunity and power aspects have on well-being and trust and emphasizes the urgency of government and policy action to address the growing problem of inequality in South Korean society. The findings highlight the urgent need to address disparities and promote social harmony and well-being in countries facing similar challenges.

KEY WORDS

generalized trust, life evaluation, life satisfaction, opportunity inequality, perceived inequality, power inequality, South Korea

1 | REDUCED GENERALIZED TRUST

Since its postwar industrialization, South Korea has experienced remarkable growth across various societal, political, and technological fronts. However, this rapid progress has also brought about social tensions and psychological challenges among its citizens (Lim et al., 2016). Although the per capita income of the country increased nearly three times from 1980 to 2005, the average life satisfaction score did not change or somewhat decreased (Kim et al., 2014). Similarly, even though gender equality has significantly improved, especially in education, little improvement has

been transferred to other sectors, such as the economy and labour market (Yang, 2021). Although trust in the fairness of law enforcement has increased compared to the past, there is a prevalent belief that discrimination in law enforcement is based on one's socioeconomic status (Shin & Kang, 2012). All these discrepancies between social-level advancement and individuals' discomfort in society reflect the limitation of current societal progress in addressing the underlying life satisfaction of individuals. In light of the paradoxical dynamics, the current study endeavours to delve into the perceptions of inequality within diverse social spheres among South Koreans and to elucidate their influence on generalized trust and life satisfaction.

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Social justice refers to the fair treatment and equitable status of all individuals and social groups within a society (Rawls, 2001). The term also encompasses social, political, and economic institutions, laws, or policies collectively designed to ensure fairness and equity. In the absence of social justice as fairness or perceived injustice, individuals may experience frustration, disillusionment, or dissatisfaction with their lives as members of society. Empirical research supports this association, as evidenced by a strong correlation between a national-level social justice index and life satisfaction across 28 European countries (Di Martino & Prilleltensky, 2020). The current study utilizes the idea of perceived social (in)justice in Korean society to unravel the paradoxical link between life satisfaction and societal advancement. In essence, we propose a critical examination of the detrimental role of perceived inequality in various social and individual resources on the well-being of Koreans.

1.1 | Inequality and well-being

Inequality refers to the unequal or unjust distribution of resources and opportunities among members of a given society (Koh, 2020). In social sciences, *material inequality* between individuals or households is often considered. Numerous studies examined the gap in wealth (material possession) or income (e.g. Gini coefficients) to understand the variance in associations between economic status and well-being through comparisons across nations (Alesina et al., 2004; Berg & Veenhoven, 2010; Verme, 2011), cities (Hagerty, 2000), and states (Alesina et al., 2004). Accumulated findings support that a society's gap between the poor and the rich determines psychological well-being (Berg & Veenhoven, 2010; Oishi et al., 2011).

Although understanding inequality in terms of the distribution of income or material possessions among individuals provides a convenient way to study inequality, this approach has two limitations. First, absolute levels of inequality based on objective indices are not directed to one's *perception* of inequality. Indeed, the latter might be more influential in one's psychological comfort or satisfaction as an equivalent member of society. As Lewin (1939) highlighted, people's perceptions of a situation can significantly influence their behaviour more than their objective circumstances. Moreover, Franičević (2004) aptly observes that the perception of inequality reflects a society's moral values, intricately tied to notions of fairness and justice. Building upon this, Hauser and Norton (2017) propose the crucial role of subjective perception, as it significantly impacts individuals' decisions, whether as economic agents or voters. Collectively, these considerations underscore the imperative of examining perceived inequality and its profound

influence on psychological experiences within contemporary society.

Individuals' perceptions of the distribution of resources within society can affect their overall life satisfaction. Indeed, we witness emerging evidence for the associations between perceived inequality and well-being. An earlier study that examined 'comparison income' (i.e. comparison between the own income and the income of the reference group) implied that when the lower the own income is compared with that of the reference group, the less happy the individual is (Ferrer-i-Carbonell, 2005). More direct support is provided in Oshio and Urakawa's (2014) analysis of Japanese nationwide cross-sectional data. In the study, perceived income inequality was negatively associated with subjective well-being that was measured with perceived happiness and self-rated health, even after controlling for other individual factors related to well-being, such as personality traits. Du et al.'s (2023) recent analysis of subjective and objective income inequality both identified detrimental effects of subjective inequality on well-being regardless of the objective level of inequality (see also Willis et al., 2022).

The second limitation of the prevailing approach to inequality in well-being research stems from the understanding that resources influencing individuals' psychological experiences extend beyond the material realm, encompassing crucial non-material facets essential for personal growth and societal functioning. From a social justice perspective, a sole focus on the material or economic dimension proves overly restrictive, overlooking other critical social and political elements that shape an individual's quality of life within society (Rawls, 2001). In conjunction with material resources, non-material resources, and opportunities establish an environmental context conducive to the optimistic pursuit of life functioning in alignment with personal values (Inglehart et al., 2008). Therefore, it becomes imperative to explore a diverse array of societal inequalities to grasp their connection with individuals' life satisfaction comprehensively.

Our contention posits that perceived inequality extends beyond the material domain, encompassing gender, law enforcement, educational and employment opportunities, and power. Such multifaceted inequality is likely to contribute to lower life satisfaction among individuals. Although scarce, few studies conducted so far provide supportive evidence in some of those aspects. For example, Bjørnskov et al.'s (2007) analysis using a cross-section of 66 countries indicated that both men and women experience higher life satisfaction when women's rights in politics, economy, and social roles are supported more, highlighting the importance of perceived gender inequality on life satisfaction. Notably, this effect was independent of income and political ideology only in women, suggesting a more pronounced role

of perceived gender inequality in women's life satisfaction than in men's.

Regarding perceived inequality in law enforcement or criminal justice, Cha and Roh's recent analysis (2022) of data from the Public Opinion Survey on the Role of Government and Quality of Life in 2018 indicates that individuals with lower economic status are more likely to perceive instances of criminal injustice, with such perceptions mediated by perceived social conflicts. Similarly, Ciziceno and Travaglino's (2019) study indicated a negative association between perceived corruption and life satisfaction across cultures, mediated by institutional trust. This finding suggests that perceived inequality in law enforcement also affects life satisfaction through decreased trust. In essence, individuals aspire to reside in a society characterized by justice and equity to interact and compete within a fair system. If they perceive a lack of justice and equity in certain aspects, it may evoke a sense of threat and decrease life satisfaction.

1.2 | Mediating pathways: perceived inequality, generalized trust, and well-being

We speculate that generalized trust would mediate the link between perceived (in)equality and life satisfaction. According to Uslaner's (2002) definition, generalized trust is the perception that most people are part of your moral community, and reflects the scope of our community based on shared morals and collective experiences. Influenced by the structure and characteristics of political institutions, generalized trust pertains to one's inclination to trust a non-specific stranger (Nannestad, 2008; Rothstein & Stolle, 2008). Accumulated evidence suggests a robust correlation between generalized trust and institutional quality (Delhey & Newton, 2005; Freitag & Bühlmann, 2009; Knack & Keefer, 1997). All these considered, it is plausible to theorize that perceived inequality triggered by social injustice in institutions may threaten shared beliefs about ingroup morality and harm trust even in generalized others.

The detrimental impact of inequality on generalized trust is a significant societal concern, as diminishing trust can lead to reduced motivation for individuals to engage actively as fair contributors. Interpersonal trust is closely linked to social distance. Literature highlights that individuals from similar socioeconomic and socio-demographic backgrounds tend to exhibit more trusting behaviours towards each other than those from different backgrounds (Bjørnskov, 2007; Knack, 2001). Several theories elucidate the intricate connection between inequality and (dis)trust in others. First, inequality diminishes perceived familiarity among members of different groups, undermining generalized trust (Hardin, 2006; Jordahl, 2009). Second, behaviours of those at the top of the resource hierarchy (e.g. income) may be interpreted as untrustworthy, given the association of the resource

with perceived unrighteous exploitation (Jordahl, 2009). Third, societies marked by substantial inequality often experience heightened conflicts over resources, leading to a lack of solidarity among individuals who no longer perceive themselves as sharing a common fate (Rothstein & Uslaner, 2005). Finally, (income) inequality has the potential to divide community members, further decreasing generalized trust in society (Oishi et al., 2011; Putnam, 2000; Uslaner, 2002). Supportive evidence for these causal links has been provided by a few studies, including Delhey and Newton (2005), Uslaner (2002), and Nannestad's (2008) comprehensive review of cross-cultural data from the World Value Surveys.

A critical limitation of most previous theories is their reliance on investigations into objective inequality measures. A shift towards studying perceived inequality becomes imperative to better understand the underlying mechanisms. Knell and Stix's (2020) theoretical framework is noteworthy in this context, as they assert that the negative impact of inequality on interpersonal trust is intricately tied to individuals' specific perceptions of inequality rather than the society's objective inequality level. This is because individuals do not have access to the entire income distribution but instead form their assessments based on reference groups. Hence, a more accurate exploration of the impact of inequality on trust in social science research requires a focus on perceived inequality. In light of this, the present study aims to address this gap by investigating the relationship between perceived inequality in various social aspects and generalized trust.

While the direct link between perceived inequality in aspects other than material wealth (such as income and wealth) and generalized trust remains less explored, indirect evidence supports theoretical connections between specific dimensions of inequality and trust. Cho's (2016) analysis, based on a global sample from the World Value Survey, indicates that gender equality, rooted in fair values, can enhance social trust. Additionally, research by Aiyar and Ebeke (2019) suggests that inequality in opportunities related to education and employment diminishes generalized trust, as it impedes intergenerational mobility in the long term. As individuals actively seek social justice across various resources and opportunities crucial for societal functioning and growth, perceived injustice in these areas may instigate distrust and frustration among social members. Consequently, it is reasonable to anticipate that the effects of perceived inequality in political, educational, legal, or gender-related dimensions on individuals' trust would parallel the impact observed in prior studies examining objective income inequality.

As social beings, having trust in fellow members of society is essential for one's happy life. The linkages between trust and life satisfaction measured in various ways across multiple studies are strong (Helliwell & Wang, 2010). Oishi et al. (2011) provide empirical support for the mediation, where generalized trust and fairness

mediated the association between income inequality and happiness in the US. Similarly, a study with European data from 30 countries identified that (dis)trust and status anxiety are crucial mediators of the relationship between income inequality and unhappiness (Delhey & Dragolov, 2014). Interestingly, (dis)trust was the critical mediator for affluent countries, whereas status anxiety was the crucial mediator among the less wealthy countries in the previous study. South Korea is an affluent society because of the rapid economic growth over the past few decades (International Financial Statistics, 2023). To bring Delhey and Dragolov's (2014) findings to the current study, it becomes plausible to expect that (dis)trust would be a significant mediator in the inequality-unhappiness link in South Korea.

Oishi et al. (2011) found that the inverse relationship between income inequality and happiness exhibited greater strength among individuals with lower incomes. This difference in the relationship was attributed not to lower income itself but to perceived unfairness and reduced levels of trust. Inspired by the assumption, our current study investigates the potential role of social class, such as income status, in shaping the associations between perceived inequality, life satisfaction, and generalized trust. Specifically, we examine the moderation role of household income on the relationship between perceived wealth and income-related inequality and generalized trust.

1.3 | Current study

Building upon those theoretical foundations, we propose the following hypotheses. First, perceived inequality in opportunities and social resources would predict life satisfaction negatively (Hypothesis 1). Next, the negative association would be mediated by generalized trust (Hypothesis 2). In other words, those who perceive greater inequality would exhibit lower trust in unfamiliar individuals, ultimately contributing to reduced life satisfaction. Lastly, we explored whether negative associations between perceived inequality and generalized trust would be more significant in individuals of lower household income than those of higher household income. Given the relationship between income and perceived inequality of wealth and income, we were interested in examining the moderation of particularly wealth and income-related inequality.

To our knowledge, no empirical study was conducted to understand the psychological mechanisms behind the association in Asian contexts, where rising inequality is a crucial challenge at both the individual and social levels (Huang et al., 2019; Kim & Na, 2018). Embedded within Korean ideals is the enduring concept of 'equality for all', a principle originating from the *Donghak theory* (meaning 'Eastern learning') of the 19th century, which continues to exert influence on contemporary society

(Kurbanov, 2009). Equality in this ideal is not limited to economic status but also inclusive of basic human rights and opportunities for social participation. Consequently, exploring the effects of inequality in a broader sense on life satisfaction and social well-being offers a valuable opportunity to gain deeper insights into the well-being of individuals within Korean society. Moreover, despite the significant impact of the perception of inequality, the subjective side has been investigated less than objective inequality, especially beyond the material aspect. All these considered, the current study is expected to provide a novel understanding of the psychological mechanism related to one's perception of society and psychological well-being in a wider range of countries on globe.

The current study employs large-scale national data to analyse South Koreans' perceptions of inequality across major aspects and its impact on life satisfaction. To identify the structure of perceived inequality across various social domains, we first analyse factors of perceived inequality across the six domains (education, employment, law enforcement, income and wealth, power, and gender) and examine the relationships between inequality and life satisfaction. This approach will provide valuable insights into individuals' perceptions of resource and opportunity distribution across diverse dimensions and the interplay between social perception, trust, and well-being.

2 | METHOD

2.1 | Koreans' happiness survey, 2021

The main sample of the study comes from the Koreans' Happiness Survey 2021, conducted from August to October 2021 by the National Assembly Future Institute (<https://www.nafi.re.kr/english/index.do>). The survey was designed to secure representative data to measure individuals' happiness levels and perception of inequality in various aspects and explore determinants of those outcomes. The questionnaire was developed based on a preliminary survey and cognitive interviews with a few participants to secure measurement validity and reliability.

The happiness items reflected the OECD guidelines for measuring subjective well-being. Additional items to measure attitudes, beliefs, social values, and social activities were included to examine sociopsychological determinants of happiness. For the current study, we selected a set of variables described below. The main items for this study are presented in the Appendix S1.

2.2 | Participants

The sample for the study included 17,357 South Korean participants, all of whom were at least 15 years old. The

sample was 51.7% female, and the mean age of the participants was 49.50 years, with a median of 51.00 years and a standard deviation of 17.627. In principle, all eligible respondents were surveyed by conducting household interviews using a structured questionnaire. However, due to COVID-19, a non-face-to-face survey method was used according to respondents' preferences. No one had missing values for the variables investigated in this study.

2.3 | Measures

2.3.1 | Demographic variables

Our study included five demographic variables (age, gender, education level, household income, and political orientation) as control variables in the main regression analysis. The demographic section was included at the end of the survey questionnaire.

Household monthly income was measured on 12 levels: no income, less than 1,000,000 Korean won (approximately 750 USD), 1,000,000 to less than 2,000,000 won, 2,000,000 to less than 3,000,000 won, 3,000,000 to less than 4,000,000 won, 4,000,000 to less than 5,000,000 won, 5,000,000 to less than 6,000,000 won, 6,000,000 to less than 7,000,000 won, 7,000,000 to less than 8,000,000 won, 8,000,000 to less than 9,000,000 won, 9,000,000 to less than 10,000,000 won, and 10,000,000 won or above.

Education consisted of seven levels, from 1 'no education' to 7 'doctoral graduate'. Political orientations were measured on a 10-point Likert scale from 1 'progressive' to 10 'conservative'.

2.3.2 | Life satisfaction

The survey included five items of the Satisfaction With Life Scale (SWLS, Diener et al., 1985). An exploratory factor analysis using principal axis factoring was performed. The first two eigenvalues of the analysis were 3.552 and 0.476, respectively, indicating the presence of a single underlying factor of life satisfaction measured by the five items. The factor explained 63.962% of the variance, and all items loaded significantly on the factor with high loadings (ranging between 0.708 and 0.842). The Cronbach's alpha of the scale was also acceptable (0.896). These results indicate that the five items measure a single concept of life satisfaction and can be used as a valid measure of this concept in Korea, as evidenced by prior research (Joshani, 2022).

2.3.3 | Perceived inequality

Six items were included in the survey to reflect different aspects of social opportunities and resources: 'educational opportunity,' 'employment opportunity,' 'law

enforcement,' 'income and wealth,' 'power,' and 'gender.' Participants were asked to rate how much they consider each of the aspects to be equal or unequal in Korean society, using a 5-point Likert scale ranging from 1 'very unequal' to 5 'very equal' (reversed-scored).

2.3.4 | Generalized trust

To begin with, we evaluated the psychometric properties of three items measured in the survey that were meant to measure generalized trust ('most people are reliable,' 'most people attempt to take advantage of me if they have a chance,' (reverse-scored) 'most people try to help each other when necessary'). These items were rated on a 5-point scale ranging from 1 '*strongly disagree*' to 5 '*strongly agree*'. However, the reliability was found to be inadequate ($\alpha=0.245$). The item 'most people attempt to take advantage of me if they have a chance' was found to have a nearly zero correlation with the overall scale, potentially due to its closer association with cynicism than with trust. As a result, we omitted this item and utilized the remaining two items to measure generalized trust. The correlation between the two items was 0.454, and Cronbach's alpha for the two-item scale was 0.624. Therefore, we computed the mean of the two items to obtain a single measure of *generalized trust*.

3 | RESULTS

3.1 | Preliminary analysis

Table 1 displays the descriptive statistics for the variables of the study, including the main and control variables of household income, education level, and political orientation. Table 2 shows the correlation matrix between variables included in the study. Notably, given the large sample size ($N=17,357$), even small correlations are significant. Nevertheless, the consistent negative correlations between perceived inequality across all six facets and life satisfaction scores suggest that individuals perceiving greater societal inequality in each domain tend to report lower life satisfaction.

3.2 | Main analysis

3.2.1 | Factor analysis of inequality items

Our analysis began with a single-factor confirmatory factor analysis (CFA) of the six inequality items. However, the goodness-of-fit indices in Table 3 indicate a poor fit for this model. Accordingly, we conducted an exploratory factor analysis under the exploratory structural equation modeling (ESEM; Asparouhov & Muthén, 2009) framework to elucidate the underlying factor structure of the six items in

TABLE 1 Descriptive information of the main variables.

Variables	Minimum	Maximum	Mean	SD	Skewness	Kurtosis
Satisfaction with life	1	7	4.606	0.952	−0.492	0.365
Generalized trust	1	5	3.368	0.637	−0.461	0.263
Education level	0	7	3.530	1.281	−0.470	−0.298
Household income	1	12	5.936	2.259	0.310	−0.039
Conservatism	1	10	5.888	1.944	−0.012	−0.704
Education inequality	1	5	2.571	0.883	0.365	−0.157
Employment inequality	1	5	3.021	0.941	0.100	−0.618
Law enforcement inequality	1	5	3.322	0.952	−0.041	−0.540
Income inequality	1	5	3.437	0.932	−0.135	−0.457
Power inequality	1	5	3.673	0.909	−0.321	−0.392
Gender inequality	1	5	3.104	0.852	0.064	−0.019

TABLE 2 Correlation matrix between main variables.

Variable		1	2	3	4	5	6
1. Life satisfaction	Pearson's <i>r</i>	—					
	<i>p</i> -Value	—					
2. Trust	Pearson's <i>r</i>	0.285***	—				
	<i>p</i> -Value	<0.001	—				
3. Opportunity inequality	Pearson's <i>r</i>	−0.216***	−0.208***	—			
	<i>p</i> -Value	<0.001	<0.001	—			
4. Power inequality	Pearson's <i>r</i>	−0.274***	−0.160***	0.598***	—		
	<i>p</i> -Value	<0.001	<0.001	<0.001	—		
5. Income	Pearson's <i>r</i>	0.215***	0.068***	−0.123***	−0.033***	—	
	<i>p</i> -Value	<0.001	<0.001	<0.001	<0.001	—	
6. Age	Pearson's <i>r</i>	−0.125***	0.011	0.074***	0.025***	−0.360***	—
	<i>p</i> -Value	<0.001	0.156	<0.001	<0.001	<0.001	—
7. Female	Pearson's <i>r</i>	−0.012	0.014	0.024**	0.008	−0.052***	0.037***
	<i>p</i> -Value	0.121	0.074	0.002	0.286	<0.001	<0.001
8. Education	Pearson's <i>r</i>	0.209***	0.028***	−0.119***	−0.033***	0.472***	−0.603***
	<i>p</i> -Value	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001
9. Conservatism	Pearson's <i>r</i>	−0.004	−0.009	0.020**	−0.049***	−0.149***	0.339***
	<i>p</i> -Value	0.635	0.242	0.008	<0.001	<0.001	<0.001
10. Education inequality	Pearson's <i>r</i>	−0.162***	−0.191***	0.899***	0.408***	−0.134***	0.095***
	<i>p</i> -Value	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001
11. Employment inequality	Pearson's <i>r</i>	−0.205***	−0.166***	0.832***	0.601***	−0.086***	0.032***
	<i>p</i> -Value	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001
12. Law inequality	Pearson's <i>r</i>	−0.201***	−0.112***	0.551***	0.742***	−0.009	0.021**
	<i>p</i> -Value	<0.001	<0.001	<0.001	<0.001	0.237	0.006
13. Income inequality	Pearson's <i>r</i>	−0.247***	−0.131***	0.447***	0.831***	−0.039***	0.016*
	<i>p</i> -Value	<0.001	<0.001	<0.001	<0.001	<0.001	0.031
14. Power inequality (single)	Pearson's <i>r</i>	−0.206***	−0.101***	0.278***	0.868***	0.006	0.012
	<i>p</i> -Value	<0.001	<0.001	<0.001	<0.001	0.422	0.111
15. Gender inequality	Pearson's <i>r</i>	−0.132***	−0.125***	0.394***	0.458***	−0.027***	0.010
	<i>p</i> -Value	<0.001	<0.001	<0.001	<0.001	<0.001	0.194

* $p < 0.05$. ** $p < 0.01$. *** $p < 0.001$. Opportunity inequality and power inequality in this table are factor scores exported from an exploratory factor analysis model. Power inequality (single) in the 14th row indicates the scores of an original variable included in the survey.

this Korean sample. ESEM was used instead of traditional exploratory factor analysis because ESEM allows the use of maximum likelihood estimation and also facilitates the assessment of model fit through the use of standard fit indices (Asparouhov & Muthén, 2009). A two-factor model emerged with an excellent fit, as shown in Table 3. With only six items, we did not test the model with additional factors. Furthermore, the two-factor model exhibited exceptional fit, and introducing additional factors would likely result in overfitting. Within this model, the employment and education items showed acceptable loadings on one factor (standardized factor loadings=0.582 and 0.768), while the remaining items loaded on the second factor (factor loadings=0.745, 0.583, 0.880, 0.330). Notably, all secondary loadings remained below the 0.30 threshold. This exploratory two-factor model was adopted as our final

model for inequality items. Based on the content, the first factor was labelled 'Opportunity Inequality,' and the second was labelled 'Power Inequality.' Aspects of Opportunity Inequality incorporate education and employment and reflect environmental sources one needs for growth and achievement. On the other hand, those in Power Inequality incorporate income and wealth, power, gender, and law enforcement, and these are resources more likely given to individuals based on societal structures and hierarchies.

3.2.2 | Mediation model

Since bootstrapping and latent variable interaction analysis are not available with ESEM in Mplus, we opted to export the factor scores from the preceding two-factor

7	8	9	10	11	12	13	14	15
—								
—								
−0.157***	—							
<0.001	—							
0.012	−0.238***	—						
0.111	<0.001	—						
0.020**	−0.136***	0.042***	—					
0.008	<0.001	<0.001	—					
0.013	−0.074***	−0.012	0.543***	—				
0.082	<0.001	0.104	<0.001	—				
0.005	−0.023**	−0.034***	0.345***	0.472***	—			
0.513	0.003	<0.001	<0.001	<0.001	—			
0.003	−0.030***	−0.033***	0.299***	0.408***	0.515***	—		
0.657	<0.001	<0.001	<0.001	<0.001	<0.001	—		
−0.004	−7.150e-4	−0.064***	0.178***	0.348***	0.500***	0.592***	—	
0.604	0.925	<0.001	<0.001	<0.001	<0.001	<0.001	—	
0.058***	−0.011	0.002	0.277***	0.285***	0.287***	0.325***	0.310***	—
<0.001	0.165	0.764	<0.001	<0.001	<0.001	<0.001	<0.001	—

analysis. These exported scores, representing latent Opportunity Inequality and Power Inequality, were employed as observed variables in the subsequent structural equation models. Life satisfaction was specified as a latent variable with five indicators, while generalized trust and the covariates of the study were included as observed variables. This structural equation model, depicted in Figure 1, demonstrated an excellent fit to the data. Notably, both Opportunity Inequality (unstandardized = -0.125 , $p < 0.001$, standardized = -0.168) and Power Inequality (unstandardized = -0.042 , $p < 0.001$, standardized = -0.060) significantly and negatively predicted generalized trust. Additionally,

generalized trust emerged as a significant predictor of life satisfaction (unstandardized = 0.360 , $p < 0.001$, standardized = 0.248). Power Inequality (unstandardized = -0.235 , $p < 0.001$, standardized = -0.230) significantly predicted life satisfaction, while Opportunity Inequality (unstandardized = -0.010 , $p = 0.325$, standardized = -0.010) did not significantly predict life satisfaction. The R-squared values for generalized trust and life satisfaction were 5% and 20%, respectively. Notably, income was a significant predictor of both generalized trust (unstandardized = 0.017 , $p < 0.001$, standardized = 0.059) and life satisfaction (unstandardized = 0.055 , $p < 0.001$, standardized = 0.135).

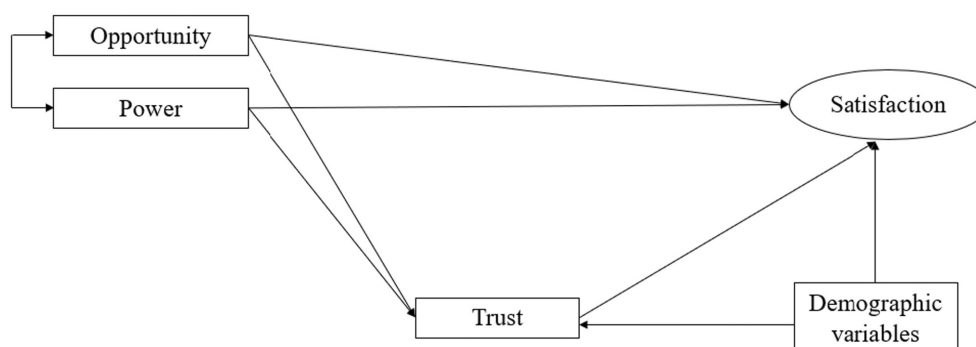


FIGURE 1 Mediation analysis model. *Note:* Life satisfaction has five indicators that are not shown in the image for simplicity. Opportunity (Inequality) and Power (Inequality) are latent scores saved from a previous exploratory factor analysis model.

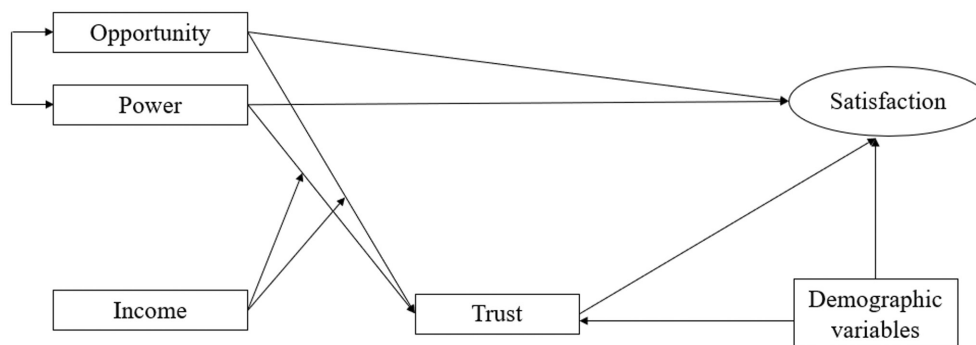


FIGURE 2 Mediation analysis model. *Note:* Life satisfaction has five indicators that are not shown in the image for simplicity. Opportunity Inequality and Power Inequality are latent scores saved from a previous exploratory factor analysis model. Opportunity Inequality, Power Inequality, and household income were mean-centred. Life satisfaction was also regressed on income along with other covariates, but this path is not shown for simplicity.

TABLE 3 Fit indices for the entire sample and four income groups.

Model	χ^2	df	p	RMSEA [90% CI]	CFI	SRMR
Single-factor CFA for inequality	4302.193	9	0.000	0.166 [0.162–0.170]	0.853	0.063
Two-factor CFA for inequality (material and social)	4299.397	8	0.000	0.176 [0.171–0.180]	0.854	0.063
Exploratory factor analysis (2 factors)	134.242	4	0.000	0.043 [0.037–0.050]	0.996	0.009
Mediation model	1419.611	47	0.000	0.041 [0.039–0.043]	0.975	0.027
Moderated mediation model	1521.484	61	0.000	0.037 [0.036–0.039]	0.973	0.028

Note: Comparative Fit Index (CFI), Root Mean Square Error of Approximation (RMSEA), and Standardized Root Mean Square Residual (SRMR) were used to evaluate fit. The benchmarks for satisfactory model fit were as follows: a CFI of at least 0.95, an RMSEA of less than 0.07, and an SRMR of less than 0.08 (Kline, 2015).

To examine the significance of the indirect effects, 95% bootstrap confidence intervals were computed with 10,000 bootstrap replications (Hayes, 2022). the indirect effect of Opportunity Inequality was estimated at -0.045 , exhibiting significance within a confidence interval of -0.051 to -0.039 . Similarly, the indirect effect of Power Inequality was estimated at -0.015 , exhibiting significance within a confidence interval of -0.020 to -0.010 . These findings show that both Opportunity Inequality and Power Inequality exert their influence on life satisfaction through their effects on generalized trust. Specifically, perceptions of inequality diminish generalized trust, and diminished generalized trust, in turn, lowers life satisfaction. Overall, these results provide support to both Hypotheses 1 and 2, suggesting the mediating role of generalized trust between perceived inequality of both opportunity and power and life satisfaction.

3.2.3 | Moderation analysis

We tested a moderated mediation model, where household income served as a moderator in the associations between two inequality variables and generalized trust. The two inequality variables and household income were mean-centred. This model is depicted in Figure 2. The fit indices, presented in Table 3, demonstrate an excellent fit for this model. The interaction terms for Opportunity Inequality (unstandardized = 0.001 , $p = 0.698$, standardized = 0.004) and Power Inequality (unstandardized = -0.001 , $p = 0.796$, standardized = -0.003) were found to be statistically non-significant. This implies that income does not exert a moderating influence on the relationship between inequality variables and generalized trust. To further explore the influence of income, indirect effects were calculated at three income levels (-1 SD, mean, and $+1$ SD). For Opportunity Inequality, the three effects were -0.046 , -0.045 , and -0.044 , respectively (all $ps < 0.001$), suggesting that variations in household income had virtually no impact on the strength of the indirect effect. Similarly, for Power Inequality, the three effects were -0.014 , -0.015 , and -0.016 , respectively (all $ps < 0.001$), indicating that household income levels had virtually no effect on the strength of the indirect effect. Thus, the current results suggest that income does not significantly affect the indirect effects found in this study.

4 | DISCUSSION

The present study investigated the multifaceted nature of perceived inequality in South Korea and its implications for life satisfaction. Our findings reveal several critical insights into the relationship between perceived inequality, generalized trust, and life satisfaction, shedding light on the nuanced dynamics within this context.

4.1 | Two forms of perceived inequality: power and opportunities

Research on well-being has predominantly focused on material aspects of inequality so far. However, our study broadens this perspective by considering a broader spectrum of social resources and opportunities individuals evaluate for equitable distribution. Drawing upon extensive analysis of national survey data, we identified two distinct forms of perceived inequality prevalent among South Koreans: power inequality and opportunity inequality.

Power inequality encompasses perceived inequality of income and wealth, power dynamics, gender relations, and the legal system. These elements are entrenched in societal structures that allocate resources and influence asymmetrically. In that perceived inequality of income and wealth is greater in those with lower economic status (Oshio & Urakawa, 2014), the convergence between perceived inequality of income and wealth and that of law enforcement may align with recent findings in South Korea. Based on analysis of large-scale public opinion survey data, Cha and Roh (2017) show that individuals with lower economic status are more likely to perceive instances of criminal injustice, with such perceptions mediated by perceived social conflicts. By implication, individuals with lower economic status, who are more likely to perceive instances of criminal injustice and social conflicts, may also experience heightened perceptions of inequality in law enforcement. This convergence between the perceived inequality of income and wealth and that of law enforcement underscores the interconnectedness of socioeconomic disparities and perceptions of justice within society.

On the other hand, opportunity inequality is manifested in education and employment and encompasses the environmental factors essential for personal development and accomplishment in society. They are also crucial determinants of individuals' access to resources and social mobility. Education and employment are seemingly equally given to each member by regulations, which can be used as a tool to achieve power in the future. While income and wealth distribution, power dynamics within social hierarchies, gender roles, and law enforcement's functioning contribute to how individuals control surrounding environments, equal allotment of education and employment opportunities contributes to one's strive for growth.

The separation of these factors may stem from the different ways in which individuals perceive and experience inequality in society. For example, power inequality may be associated with perceptions of systemic injustices, discrimination, and disparities in social status and influence, whereas opportunity inequality is perceived through the lens of educational and economic disparities, reflecting individuals' access to opportunities for personal and professional development.

4.2 | Relationship between power and opportunity inequalities: the South Korean case

When considering major social issues in South Korea, it is not surprising that opportunity for education and employment is divergently perceived from one's execution of power over environments. At the social level, public systems have been advanced to support equal opportunities for personal and professional development, regardless of personal background or inherent power dynamics.

Gender is a representative example. Gender equality in education is where the country has made significant progress. The efforts and outcomes are evidenced in that women's enrolment rates in higher education institutions have steadily increased and even outnumbered men since 2013 (Yang, 2021). However, the seeming improvement in opportunity equality does not necessarily indicate a corresponding improvement in power distribution, as suggested by our findings. The difference in perception between power and opportunity is exemplified by many challenges and obstacles that women encounter after completing their education and entering the workforce. Studies have documented psychological problems such as depression and anxiety among highly educated women in Korea, stemming from structural sexism experienced in the workplace (Homan, 2019), as well as negative educational mismatch or overeducation (Belfield, 2000; Song et al., 2024).

While initial opportunities for societal integration may appear equal, the complexities of power dynamics manifest in a distinct and more intricate domain. Our findings imply this nuanced distinction. In that perceived (in)equality in different societal aspects plays a crucial role in regulating life satisfaction, the study calls for a need to improve systems and practices that foster perceptions of greater equality across various social activities and development domains.

4.3 | Perceived inequality reduces generalized trust

Our study delves into distinct patterns for different facets of inequality in predicting life satisfaction. As hypothesized, both aspects of perceived inequality (i.e. power and opportunity) predicted life satisfaction through reduced generalized trust. However, whereas power inequality predicted it directly as well, such a direct effect was not found in perceived opportunity inequality.

The direct effect of power inequality is not surprising, considering its specific attributes. Diego-Rosell et al.'s (2018) analysis of global data from the Gallup World Poll suggests that material well-being (e.g. feelings about household income) is the most important contributor to subjective well-being. Thus, perceived inequality

in the materialistic domain (power in the current study) would significantly impact one's life satisfaction.

What is more intriguing from the current findings is the effect of perceived opportunity inequality on life satisfaction. By implication, although perceived inequality in opportunities (e.g. education, employment) may not directly affect life satisfaction, they do so indirectly by shaping individuals' trust in society. The Perception of equal opportunities for social advancement is significant for individuals to be motivated to strive for a better future. When individuals perceive that equal opportunities for social advancement are not available or accessible to all, it may threaten their beliefs about social justice and undermine their trust in societal institutions and the fairness of the system (Rothstein & Uslander, 2005). This perception may lead to a sense of cynicism or scepticism towards authority, institutions, and even fellow citizens, diminishing the overall level of trust within society. In line with this, the current finding suggests that perceived opportunity inequality can reduce trust in generalized others.

To our knowledge, inequality research has little focused on the opportunity aspect of inequality that may affect individuals' long-term trust and well-being as members of society. The current study implies the importance of addressing not only present material and power disparities but also inequalities in access to opportunities for social advancement, as they can have far-reaching implications for individuals' trust in societal institutions and their overall well-being. Further exploration of these dynamics is crucial for developing more comprehensive strategies to promote equality and social cohesion.

4.4 | Inequality and beliefs about the future in South Korea: Beyond power

Interestingly, the analysis revealed that social status, measured by household income, did not significantly influence the relationships between perceived inequality and generalized trust. This was the case even in power inequality, where our focused aspect (i.e. wealth and income inequality) was involved. This finding suggests that the detrimental effects of perceived inequality on social cohesion are consistent across different social classes in the country. It also challenges previous assumptions in Oishi et al. (2011), implying a more nuanced understanding of the relationship between perceived unfairness, distrust, and social status. Future research should explore whether these findings generalize to other societies. Still, at least within South Korea, the study demonstrates the invariantly significant impact of perceived inequality on generalized trust across diverse social groups.

The increasing level of inequality, objectively and subjectively, echoes recent national surveys examining intergenerational social mobility and people's outlook

on future intragenerational mobility (Kim, 2019; Oh & Ju, 2017). Oh and Ju's (2017) analysis of educational levels and household income indicates that South Korea's inequality level mirrors that of countries with high inequality, such as the US, France, and Italy, and contrasts with countries with low inequality, like Norway, Sweden, and Germany. This finding underscores the escalating issue of inequality within the country.

Furthermore, there is a growing scepticism regarding the 'rags to riches' narrative. According to Statistics Korea, householders' pessimistic predictions regarding the socioeconomic status of their next generation have risen from below 10% in 1999 to 50% in 2015, while optimistic predictions have decreased from over 80% to 30% during the same period (Oh & Ju, 2017). This shift reflects a decline in people's confidence in a future society where their offspring can thrive and succeed. Given that generalized trust is shaped by shared perceptions of morality and institutional quality (Berggren & Jordahl, 2006; Uslaner, 2002), these observations, coupled with the significant associations between perceived inequality and diminished generalized trust, are cause for concern.

Generalized trust plays a crucial role in social well-being by fostering mutual bonding with others and the whole community (Keyes, 1998). The current findings suggest that decreased trust among Koreans is a key factor contributing to diminished well-being despite visible social progress in recent decades. Heightened perceptions of social inequality, encompassing power, and opportunity, likely exacerbate this trend by reducing generalized trust. It is recommended for policies and systems to address not only disparities in power, including wealth but also opportunities for personal growth and active participation in the workplace.

4.5 | Limitations and future directions

The current study is not without limitations. First, the correlational investigation does not warrant causal relationships between examined variables. Controlling social phenomena observed and experienced in everyday life is challenging in psychological research (Buttrick & Oishi, 2017). In the current problem, it remains plausible that inequality, social trust, and life satisfaction may be consequential outcomes of a more extensive underlying social issue without a direct causal connection between them. Implementing an experimental approach to manipulate perceived or objective inequality and assess its impact on trust and life satisfaction becomes imperative to mitigate this uncertainty. Potential strategies for achieving this goal could involve priming the perceived environment (e.g. the degree of perceived equality) (Fazio et al., 1986) and employing experimental games (Schulz & May, 1989).

While the current study identified the role of generalized trust, it would also be helpful to focus on more

emotional consequences of the perception of social unrighteousness, such as envy (Fisher & Torgler, 2006), hopelessness, and disillusionment (Paskov et al., 2017), and relative deprivation (Callan et al., 2011). Those emotional issues may be particularly critical in socioeconomically disadvantaged groups. Exploring a wide range of those related emotions will expand our understanding of the psychological mechanisms between perceived inequality and life satisfaction.

Additionally, caution should be exercised in generalizing the findings beyond the context of South Korea. While the study offers implications for other Asian societies given their similar trajectories of rapid social development following WWII, the effects of perceived inequality may depend on the specific characteristics of a country or region (Cheung, 2016). Nevertheless, the current study encourages further research to investigate multiple aspects of perceived inequalities and their effects on social motivation and well-being across different cultural and socioeconomic contexts. Cross-national comparisons will be instrumental in elucidating the universality of the observed relationships and identifying context-specific factors that may influence the dynamics of perceived inequality and its impact on subjective well-being.

5 | CONCLUSION

A sense of equality influences fundamental motives in daily lives of individuals as social beings. Despite the growing wealth at the national level, the unequal distribution of resources and opportunities among individuals is a rising problem in South Korea. Based on the two distinct aspects of perceived inequality across a broad spectrum, that is, power and opportunity, identified, the current study provides novel evidence that generalized trust mediates the relationship between perceived inequality in both aspects and life satisfaction. The null effect of income status moderating between perceived inequality and general trust suggests the robust effect of inequality perception on social cohesion regardless of social class. Given the increasing inequality in objective indices and societal perceptions in Korean society, the current findings emphasize the importance of reducing inequality to improve individuals' well-being. As inequality is a growing problem worldwide, this study can serve as a guiding light for other societies, especially neighbouring countries facing similar challenges to South Korea, to shed light on the problem of decreased well-being due to perceived inequality.

AUTHOR CONTRIBUTIONS

Joonha Park: Conceptualization; investigation; supervision; writing – original draft; writing – review and editing. **Mohsen Joshanloo:** Data curation; formal analysis; resources; validation.

CONFLICT OF INTEREST STATEMENT

We have no known conflict of interest to disclose.

DATA AVAILABILITY STATEMENT

The datasets analyzed during the current study are available in the National Assembly Futures Institute repository, <https://doi.org/10.22687/KOSSDA-A1-2021-0003-V2.0>.

RESEARCH MATERIALS AVAILABILITY STATEMENT

We attach the list of the main variables (in English) used in the study as Appendix SI. We can also provide the whole material upon request.

ETHICS STATEMENT

The research reported in the manuscript was conducted in accordance with general ethical guidelines in psychological research. The Korean national data was collected based on respondents' consent.

ORCID

Joonha Park  <https://orcid.org/0000-0002-0764-5173>

Mohsen Joshanloo  <https://orcid.org/0000-0001-9350-6219>

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SUPPORTING INFORMATION

Additional supporting information can be found online in the Supporting Information section at the end of this article.

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