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## 8 Globalization versus localization

### The relationship between openness and solidarity<sup>1</sup>

The level of openness may have an impact on the social structures of countries and the behavior and attitudes of its citizens. The economic openness of a country implies that a large number of people works for a company involved in international trade, affecting their employment security since there is a chance that the company could decide to move its production to another part of the world. In countries with a higher level of social openness, people are more in contact with other parts of the world, for instance through the Internet, and these countries are also characterized by greater cultural diversity. This increased heterogeneity affects people's attitudes and behavior towards other groups in society in particular, rendering solidarity more problematic than in relatively homogeneous groups. Political openness is likely to have a less direct effect on daily life compared to the other two, since it resides at the level of international relations, the connections between political actors. Nevertheless, people do get informed about political debates at that level through the media, and now and again, international political developments provoke reactions from the public.

Although these examples indicate the possible impact of the three dimensions of globalization on social relations within societies, the question remains to what extent there is such an influence in reality, and also whether these consequences are negative or positive in terms of social cohesion and solidarity. Many assumptions and expectations about these effects of globalization are to be found in the literature and in the popular press. Notably, most attention is paid to the negative consequences, but to date, empirical evidence regarding these questions is lacking. For instance, it is often claimed that local cultures and traditions disappear because of increased openness and that people identify less with each other as national borders lose importance. At the same

time, it is argued that globalization increases the importance of local communities. Recent developments within the European Union provide some examples to illustrate this. In several member states, referenda have been held in which people have voiced their concerns about the EU, indicating that in their opinion European integration has gone far enough, at least for the moment. Partly, people's desire to organize their social lives at the community level and to keep them from being overblown by international developments may explain this, rather than the assumption that their solidarity with other people is decreasing.

The aim of this chapter is to analyze whether a higher level of openness at the national level affects solidarity between individuals. Our discussion takes place in two subsequent steps. First, we analyze to what extent the three dimensions of openness influence *the willingness to help certain groups in society*, namely the elderly, the sick and disabled, and immigrants. Focusing on different groups allows us to take into account that the level of solidarity towards these groups can vary. We will investigate the different impact that globalization has with respect to these groups. In addition, these groups are distinguished because it can be argued that the motivations to help them differ. One reason to help elderly people is that they have already made a contribution to society and deserve something in return from the younger generations. That the sick and disabled are regarded as a group needing assistance is probable because their need is due to circumstances beyond their control. People can be willing to support immigrants to help them to adjust to their new situation. To some extent, differences may occur because of in-group and out-group formation and their effect on solidarity. Whereas elderly people and the sick and disabled are likely to be regarded as members of the in-group, indigenous people may have a different opinion about the position of immigrants in society. Finally, we distinguish these groups because people's perceptions can differ with regard to how much help they need. In most instances, there will be no doubt that elderly people and the sick and disabled need some form of assistance, but in the case of immigrants this is less clear.

Investigating the first question provides insight into the relationship between the openness of countries and the solidarity of their population towards the elderly, the sick and disabled, and immigrants. In addition to people's willingness to assist others, we examine how they would like to *organize their solidarity* towards

these groups. Therefore, the next question is whether people want to help these groups informally, for instance through direct help provided by themselves, or formally through the welfare state. For that purpose, we make a distinction between two forms of solidarity: compulsory and voluntary. Compulsory solidarity refers to the formal kinds of solidarity such as the welfare state, to which people contribute by paying taxes and contributions, and voluntary solidarity involves helping others directly without the presence of formal arrangements, usually the kind of solidarity that is found in local communities. We analyze the relationship between the preferences that people have towards these two forms of solidarity and economic, social and political openness.

## 8.1 Openness and solidarity

One of the concerns stressed in the literature is that globalization erodes local cultures and traditions (Inda & Rosaldo 2002; Kellner 2002). Such cultural changes are attributed to more porous national boundaries that become less clear and may no longer function as a fence between the inside and the outside world and can result in the disappearance of identification with one's own country (Marcussen, Risse, Engelmann-Martin, Knopf & Roscher 1999; Jones & Smith 2001). If globalization means that national boundaries become less important, it is possible that it also decreases people's willingness to help each other because of lowered social cohesion and interdependence among them. Nevertheless, countering this expectation it can be argued that globalization makes local social structures more important, for instance because citizens are more aware of their mutual dependence. If globalization strengthens local structures, it can increase people's intention to help each other. From the existing literature it is not clear if the level of helping behavior is negatively or positively related to globalization. The first part of this chapter is geared towards researching this question.

### 8.1.1 *Theory*

Some groups of people are better off than others, because resources and chances are unequally distributed amongst them, for instance. Within modern societies the position that people have in

the labor market influences their financial and other resources to a large extent. People who are far removed from the labor market can be dependent on others within society because they have difficulty finding a job and making a living on their own. This section focuses on the willingness to help three groups of people, namely elderly, the sick and disabled, and immigrants. These groups are chosen for two reasons. First, the cause for their dependence differs, and people's motivation to help them can differ as well. Elderly people are no longer active in the labor market, sick and disabled people have difficulty finding a job that fits their abilities, and for immigrants it may be difficult to find a job because their credentials do not fit the labor market (Thorslund 2000; Aguilera & Massey 2003).

People may have different views of these groups based on considerations of insiders and outsiders. Elderly people and the sick and disabled are more likely to be seen as belonging to society, as part of the in-group, whereas immigrants are more likely to be considered outsiders, even though they live in the same country. Therefore, it is possible that people are more willing to help the sick and disabled than to assist immigrants. A second reason to distinguish between these groups is that it enables us to investigate whether globalization is related to the willingness to help others in general or whether it is related to the intention to help specific groups in society.

There are different ways through which people can help those who need assistance. Volunteering is part of a general cluster of forms of helping behavior through formalized relationships (Wilson 2000), and support for the welfare state concerns the willingness to provide financial resources to certain groups in society and therefore only refers to formal arrangements provided by the state (Svallfors 1997). Instead of focusing on such specific forms, we analyze a general form of helping behavior – the willingness to help certain groups – without specifying the means through which this help is provided. Nevertheless, the presence of formal means such as welfare state provisions offered through the government may influence the willingness to assist others. It is possible that a lot of people are willing to help others, but if most of the assistance is already paid for through the tax system and dealt with by the state, these formal kinds of help can crowd out informal kinds of helping behavior (Van Oorschot & Arts 2005). This is accounted for in the empirical analyses by adjusting for the influ-

ence of formal assistance that is organized through the welfare state.

Helping behavior involves at least two parties: a person or a group of people providing help and a person or a group of people receiving help. When two persons are involved, there is one provider and one receiver, and this kind of help can be either one-sided, if resources are only flowing from the giver to the receiver and not vice versa, or two-sided, when the receiver provides help in return (cf. Chapter 2). When more people are involved, the situation is slightly different. Analytically, it is possible to study helping behavior between two groups in the same manner as in a situation concerning two individual people, but it is also necessary to take into account that these groups of givers and receivers consist of individual actors who form a group that can produce a collective good that benefits the receivers. As with all collective goods it holds that its production may be problematic because for each individual it is costly to provide help, while there is no direct compensation or benefit for that person (Hechter 1987). Given this characteristic of a collective good, it is not likely that individuals will engage in such behavior. However, such an approach to people's behavior assumes that people operate in isolation and that they do not have social relations with others (Granovetter 1985). In real life, people interact with each other and have social relations that are embedded in time and are part of a larger system of social networks (Granovetter 1985; Buskens & Raub 2002). These forms of embeddedness affect the level of trust amongst people because they make learning and control possible.

Learning and control apply to the relationship between the providers and the receivers as well as to relationships amongst the group of providers. Helping out the sick and disabled people and immigrants will not be motivated by the expectation of a future return alone (if at all); instead, the general norm can be that some groups are in a needy situation for reasons outside their own influence, as is the case with the group of sick and disabled people. With regard to immigrants, people can feel that this group needs some assistance to get adjusted to the new situation that they live in. Many people are willing to share resources with these different groups of people, and probably the most important thing they expect from them is that they will not misuse their generosity by acting opportunistically (Bowles & Gintis 2000). Through a process of learning, information is acquired about such opportunistic

behavior. When control is possible, negative sanctions can be used against these opportunistic individuals, such as the withholding of help in the future.

Learning and control can also increase the contributions that people make to the collective good. People are likely to be more willing to help others if they know that others will do the same. Put simply, if only one person is willing to help out others in society, it will not make much of a difference, but when there are more people willing to do that, they will be able to create a collective good. Therefore, positive information about what others will do enhances a person's willingness to help others, and knowing that others will not contribute is likely to decrease it (Murningham 1994). Control is also possible amongst the givers. People who are very generous can be rewarded for that through social approval. They can improve their reputation and create goodwill amongst other people. Those who are not willing to help others run the risk of facing negative sanctions, getting a bad reputation and are less likely to receive help from others.

Several features of the social structure of a country facilitate or hinder learning and control among citizens that may influence their willingness to help others. Learning refers to the information people receive about the behavior and intentions of others through their social contacts. In this section, positive information about fellow citizens is investigated, regarding the extent to which people can rely on other citizens in their country and the overall level of trust in other citizens. Such positive information about others is likely to increase people's willingness to help others because they have less reason to believe that their fellow citizens will take advantage of them. Control is also related to the social structure of countries. If mutual control is effective, it induces norms regarding helping behavior that are enforced through stable and dense social structures (Coleman 1990). The stronger these norms are and the more people follow them, the more costly it becomes for an individual to deviate from them. If globalization is related to the extent to which people are able to learn from each other and control each other, it will be reflected in the willingness to help others.

### *Hypotheses*

Economic, social and political openness may affect the internal social structure of countries that offer the possibilities for learning

and control, which in turn are – negatively or positively – related to the willingness to help others. In the literature, there are two contrasting views on how globalization is related to social structure. The major argument for thinking that globalization undermines mutual help in society concerns the more porous boundaries of countries that function less as a clear dividing line between insiders and outsiders. Contrary to that, it has been argued that the importance of local structures has increased because of globalization, and people may be more willing to help each other because of increased mutual interdependence. The argument that is advanced and tested in this section is that the level of economic, social and political openness is related to the willingness to help others depending on the consequences it has for the social structure that people live in – and the possibilities these structures offer for learning and control, and that this relationship may be negative or positive. Both possibilities are considered, leading to contrasting hypotheses.

*Openness is negatively related to the willingness to help others*

The economic openness of countries may be negatively related to the willingness to help others. Countries with a high degree of economic openness are involved in international economic relations and are affected more by what happens on the world market than countries that have a relatively closed economy. When the world market gets into a depression, the economically closed countries are affected far less than the economically open ones. In addition to that, there are more exit options for companies and citizens in economically open countries. As the costs of moving from one country to another are decreasing, it is believed that an increasing number of companies choose to move their production to low-wage countries and that individuals similarly move to places where tax levels are lower. A consequence of these characteristics of economic openness is that citizens face a higher level of *insecurity* and that social norms are undermined in countries with a higher degree of economic openness (Rodrik 1997; Blossfeld, Buchholz & Hofäcker 2006), eroding the social structure that is a necessary condition for helping behavior.

The expectation that there will be a negative relation between the social openness of a country and the willingness to help others is based on the assumption that the level of heterogeneity within a country is higher in socially open countries, which results from



the inflow of people from other countries. *Heterogeneity* may, in turn, lower the level of social cohesion within societies (McPherson, Smith-Lovin & Cook 2001). When the internal structure is more heterogeneous, the willingness to help others can decrease because of less interdependence and identification among citizens. Due to the lower social cohesion it can be more difficult to produce and sustain a collective good like the assistance of vulnerable groups.

*Openness is positively related to the willingness to help others*

In contrast, it may be argued that the economic openness of countries is positively related to the willingness to help others in society. If economic openness means that people are more economically insecure, it implies that the need for protection and mutual help is greater. People may respond to this *heightened demand for assistance* by helping groups that are in need. To make sure that everyone contributes, people may be more involved in learning and mutual control, thus the levels of support within society may be higher, and local structures may be more important (Inda & Rosaldo 2002). When such mechanisms apply, the willingness to help others is expected to be higher in economically open societies compared to relatively closed countries.

Social openness may also mean that people become more aware of their country's boundaries; when they are living in a socially open country, they can be more aware of the fact that their country is part of a worldwide development than when they are living in a relatively closed country and take their country's boundary for granted. This means that in these socially open countries people are *more aware that they share a common fate* with fellow citizens. Such a view emphasizes that social openness increases the notion that there is such thing as a community to which people belong and that people are more aware of their mutual dependence. Instead of blurring the national boundaries, this may in fact enhance the notion of who is an insider and who is an outsider.

As was noted earlier, we expect that political openness is not strongly related to the social structures of countries, since it is basically a matter of international relations between countries. Therefore, the impact of political openness is more indirect compared to the effects of economic and social openness. Nevertheless, there may be an indirect effect since political openness can have a *stabilizing effect* that can prevent the negative effects of in-

security caused by economic openness (Dreher 2006). Economic openness is especially assumed to negatively affect the welfare state through increased tax competition among countries (see Chapter 7). International political relations may be used as a means for countries with an extensive welfare state to come to agreements with other countries that are also willing to sustain their welfare state. The establishment of these mutual agreements can put a stop to a potential race to bottom. If political openness does indeed have such a stabilizing effect, it will not threaten the willingness to help others.

We want to investigate how developments at the macro-level influence behaviors at the micro-level. The hypotheses do not state a relationship between the willingness to help people and the economic and social openness of a country per se, but it is argued that this relationship is conditional on the social structure of a country. According to the first hypothesis, the level of help offered in more open countries is expected to be lower because the social structure is assumed to offer fewer possibilities for learning and control. The second hypothesis leads to the expectation that in more open countries the social structure will adapt to provide help to people that need assistance. For the empirical analysis this means that the relationship between the willingness to help others and the openness of a country should be mediated by the social structure of a country.

### 8.1.2 *Data and analyses*

Four different datasets are used to test the hypotheses. The *European Values Study* is a large-scale, cross-national and longitudinal survey research program regarding basic human values (Halman 2001). It gives insight into the preferences and orientations of the populations of societies covering a wide range of economic, social, political and cultural variations. In 1999-2000 the third wave of this ongoing project was conducted among 39,797 respondents in 32 countries in Western, Central and Eastern Europe. The *KOF Index of Globalization* measures the economic, social and political dimensions of globalization. Country-level data on social structures are provided by Fidrmuc and Gërkhani (2005). These measures are based on the Eurobarometer survey 1998, 1999, and 2001 and the Candidate Countries Eurobarometer survey 2002. Information on welfare state effort is provided through the IMF

Government Finance Statistics 2001 (International Monetary Fund 2001). The four datasets are merged into one dataset. The country-level datasets did not provide information for all of the countries surveyed in the EVS. The final dataset includes 31,554 respondents from 26 countries.

### *Measures*

#### Dependent variable

The European Values Study provides data on *solidarity towards the elderly, the sick and disabled, and immigrants*. The exact wording of these items is: “Would you be prepared to actually do something to improve the conditions of:” followed by “the sick and disabled people in your country?” and “immigrants in your country?”. These variables range from 1 (absolutely no) to 5 (absolutely yes).

#### Independent variables

- Openness

The KOF Index of Globalization includes data measuring the *economic, social, and political openness of countries* between 1970 and 2005 (see Chapter 6).

- Social structure

Three indicators of *social structure* are used: *reliance on others, national norms of giving, and mean level of trust*. Data for the first two indicators are calculated by Fidrmuc and Gërxhani (2005) using data from the Eurobarometer survey, and the data on trust are constructed performing similar calculations on the European Values Study. The individual-level data from the Eurobarometer survey and the European Values Study are aggregated to the country level to give an indication of its social structure. The variable *reliance on others* is measured with the following question: “If you needed to borrow money to pay an urgent bill, like electricity, gas, rent, or mortgage, is there anyone you could rely on to help you, from outside your own household?” This variable is coded 0 for people who do not have someone to rely on and 1 for people who do. At the national level this variable indicates the fraction of citizens that can rely on others for help. The variable *national norms of giving* is measured with the question: “Now thinking about poor or socially excluded people, in the last twelve months, have you given money or goods to poor or socially excluded people at least once a month, less often or have you not done it?” The

item is coded as 0 for those who have not contributed, 1 for those who contributed less than once a month, and 2 for those who have done so more often. This variable indicates how strong the norm for helping others is within a country. The variable mean level of trust is not measured in the Eurobarometer survey and is computed in a similar fashion using the European Values Study. The indicator for trust in other people used in the European Values Study is: "Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?" This variable is coded 0 for people who say that you cannot be too careful and 1 for those who state that most people can be trusted. This variable indicates the fraction of citizens that trust other people.

### Statistical control variables

At the national level, we control for *welfare spending*, measured with social spending as a share of GDP based on the data from the IMF. At the individual level, the following independent variables – indicating the objective characteristics of respondent – are analyzed. *Religious denomination* is measured with the item: "Do you belong to a religious denomination" (0 = no; 1 = yes). *Gender* is coded 0 = male and 1 = female. *Employed* is measured with the item: "Are you yourself employed or not?" (0 = no; 1 = yes). *Stable relationship* is measured with the item: "Whether you are married or not, do you live in a stable relationship with a partner?" (0 = no; 1 = yes). The *age* of respondents is recoded into three groups: age-low (people younger than 35 years old); age-middle (people between 35 and 65 years old); age-high (people older than 65 years old). *Educational level* is recoded into three groups: low educational level (inadequately completed elementary education, completed elementary education, and elementary education and basic vocational qualification); moderate educational level (secondary intermediate vocational qualification, secondary intermediate general qualification, and full secondary maturity-level certificate); and high educational level (higher education, lower-level tertiary certificate and higher education, and upper-level tertiary certificate). *Town size* is recoded into three groups: small town (under 5,000); medium town (between 5,000 and 100,000); and big town (100,000 and more).

The variables are measured at two different levels, the individual level and the country level. Table 8.1 provides an overview of

Table 8.1 Data sources

Variable	Level	Data source
<i>Dependent variables</i>		
Willingness to help others	Individual	European Values Study
<i>Independent variables</i>		
Openness		
Economic openness	Country	KOF Index of Globalization
Social openness	Country	KOF Index of Globalization
Political openness	Country	KOF Index of Globalization
<i>Social structure</i>		
Social capital	Country	Eurobarometer (calculated by Fidrmuc & Gërkhani 2005)
National norms of giving	Country	Eurobarometer (calculated by Fidrmuc & Gërkhani 2005)
Trust	Country	European Values Study (own calculations)
<i>Statistical control variables</i>		
Welfare spending	Country	International Monetary Fund
Individual control variables	Individual	European Values Study

the variables, the level at which they are measured, and the source from which the data are taken.

Table 8.2 provides the mean level of the willingness to help the sick and disabled and immigrants, as well as the country-level data on reliance on others, national norms of helping, and trust for each of the countries. Table 8.2 shows that, on average, the willingness to help the sick and disabled is higher than the willingness to help immigrants ( $m = 3.77$  and  $m = 2.91$ ). The willingness to help both groups is the highest in Sweden and Ireland and the lowest in Lithuania, Estonia, and Latvia. The most economically open countries are Luxembourg and Ireland, and the socially most open countries are Sweden and Denmark. Romania and Poland are the least economically open countries, and Romania and Lithuania are socially the least open countries in the sample. In Ireland and Portugal many people can rely on others, whereas people in Malta and Latvia report the lowest level of reliance on others. In Ireland and Malta there is a strong national norm of giving, and in the Czech Republic and Bulgaria the weakest norm of giving is found. The mean level of trust in others is high in Denmark and Sweden and low in Romania and Portugal.

Table 8.2 Country-level means

Country	N	Willingness to help elderly	Willingness to help the sick and disabled	Willingness to help immigrants	Economic openness	Social openness	Reliance on others	National norms of giving	Mean level of trust
France	1,605	3.63	3.73	2.75	4.72	2.45	0.79	0.75	0.21
Great Britain	972	3.58	3.66	2.66	4.47	2.98	0.79	0.92	0.29
Germany	2,005	3.56	3.49	2.94	4.26	2.65	0.65	0.59	0.38
Austria	1,502	3.65	3.66	2.84	4.99	3.14	0.76	0.78	0.33
Italy	1,981	3.94	3.99	3.39	3.88	1.54	0.82	0.92	0.33
Spain	1,172	3.63	3.60	3.29	4.62	1.47	0.79	0.87	0.39
Portugal	995	3.79	3.86	3.01	4.71	1.66	0.91	0.66	0.12
Netherlands	1,001	3.65	3.70	3.18	5.53	3.08	0.88	1.09	0.60
Belgium	1,902	3.79	3.83	2.95	5.40	2.00	0.66	0.65	0.29
Denmark	993	3.72	3.81	2.92	4.38	3.39	0.87	0.72	0.67
Sweden	1,009	4.05	4.14	3.71	5.02	4.24	0.90	0.74	0.66
Finland	1,020	3.82	3.84	2.86	5.25	3.44	0.84	0.84	0.57
Ireland	1,000	4.10	4.13	3.27	5.83	2.63	0.91	1.17	0.36
Estonia	960	3.20	3.31	2.48	5.05	1.91	0.77	0.41	0.23
Latvia	953	3.48	3.54	2.38	4.17	1.41	0.60	0.59	0.17
Lithuania	938	2.99	3.06	2.14	4.16	1.06	0.68	0.89	0.26
Poland	1,063	3.78	3.87	2.71	3.37	1.33	0.76	0.89	0.18
Czech Republic	1,877	3.69	3.93	2.80	4.42	1.82	0.80	0.45	0.25
Slovakia	1,299	3.86	3.89	2.74	4.11	1.13	0.79	0.52	0.16
Hungary	987	3.57	3.59	2.25	4.21	1.73	0.73	0.65	0.22
Romania	1,086	3.94	3.83	2.63	3.28	0.81	0.68	1.08	0.10
Bulgaria	914	3.66	3.79	2.70	3.53	1.11	0.67	0.32	0.27
Greece	1,135	3.76	3.88	3.10	4.55	1.42	0.70	0.82	0.24
Malta	1,000	3.95	4.05	3.08	3.94	2.94	0.56	1.22	0.21
Luxembourg	1,188	3.73	3.72	3.24	8.97	3.00	0.78	0.93	0.25
Slovenia	997	3.70	3.84	3.06	4.07	1.67	0.79	0.70	0.22
<b>Total</b>	<b>31,554</b>	<b>3.70</b>	<b>3.77</b>	<b>2.91</b>	<b>4.65</b>	<b>2.14</b>	<b>0.76</b>	<b>0.76</b>	<b>0.30</b>

Sources: European Values Study, KOF Index of Globalization and Fidrmuc and Gërzhani (2005).

*Analysis*

The empirical analyses concern variables at different levels of analysis because the dataset includes data at the individual level (level 1) and the country level (level 2). Therefore, multilevel regression analysis is applied (cf. Chapter 5).

In this chapter, the dependent variables – the willingness to help the sick and disabled and the willingness to help immigrants – are measured at the individual level, and the independent variables are measured at the individual and the country level. By

using multilevel regression analysis, it is possible to distinguish the variations at level 1 and level 2. The multilevel analyses are performed in several steps, and for each of these models the log-likelihood statistic is computed. The difference in likelihood between two models (called the deviance) indicates whether the fit of the model increases when variables are added to it.

Table 8.3 Country-level correlation coefficients

	1.	2.	3.	4.	5.
1. Economic openness					
2. Social openness	0.51**				
3. Political openness	-0.07	0.40*			
4. Reliance on others	0.35 <sup>†</sup>	0.45*	0.36 <sup>†</sup>		
5. National norms of giving	0.17	0.24	0.08	0.07	
6. Mean level of trust	0.26	0.76**	0.41*	0.54**	0.12

Sources: European Values Study, KOF Index of Globalization and Fidrmuc and Gërçhani (2005)  
26 countries

<sup>†</sup>  $p < 0.10$ ; \*  $p < 0.05$ ; \*\*  $p < 0.01$

### 8.1.3 Results

Table 8.3 shows the relationship between the different kinds of openness and the indicators of the social structure of countries. Starting with the three dimensions of openness, it turns out that social openness is positively related to economic openness and political openness, and that economic and political openness are not related. If we focus on the interrelations between the characteristics of social structure, we see that national norms of giving and the mean level of trust in a country are positively related and that reliance on others is not related to the other two indicators. Investigating the relations between openness and social structure at the national level shows that reliance on others is positively related to all three dimensions of openness, national norms of giving are not related to the level of openness, and that the mean level of trust is related to social and political openness.

#### *Multilevel analysis*

We performed a multilevel analysis in a number of steps. First, an empty model is calculated that functions as a baseline for comparing the other models. Then the statistical control variables are

Table 8.4 Effects of control variables (multilevel analyses)

	Solidarity with elderly	Solidarity with the sick and disabled	Solidarity with immigrants
Welfare spending	0.00 (0.01)	0.00 (0.01)	0.01 (0.01)
Religious denomination	0.09** (0.01)	0.09** (0.01)	0.10** (0.01)
Gender (1 = female)	0.08** (0.01)	0.07** (0.01)	0.07** (0.01)
Stable relationship	0.08** (0.01)	0.05** (0.01)	0.04** (0.01)
Employed	-0.02 (0.01)	-0.02 (0.01)	-0.02 <sup>†</sup> (0.01)
Age – low	-0.18** (0.01)	-0.12** (0.01)	-0.06** (0.01)
Age – high	-0.01 (0.01)	-0.06** (0.02)	-0.12** (0.02)
Education – low	-0.04** (0.01)	-0.05** (0.01)	-0.16** (0.01)
Education – high	0.03* (0.01)	0.03* (0.01)	0.20** (0.02)
Town size – small	-0.04** (0.01)	-0.04** (0.01)	-0.05** (0.01)
Town size – big	-0.03** (0.01)	-0.04** (0.01)	-0.00 (0.01)
Intercept	3.68** (0.05)	3.71** (0.05)	2.83** (0.07)
Deviance	1,082.87**	785.40**	2,218.36**
Intraclass correlation	0.07	0.07	0.11

Sources: European Values Study, KOF Index of Globalization, Fidrmuc and Gërkhani (2005), and International Monetary Fund (2001)

31,554 respondents in 26 countries. Unstandardized regression coefficients are reported; standard errors are in parentheses.

Empty model: Intercept 3.76\*\* (0.05); -2\*loglikelihood: 77,526.30; Intraclass correlation: 0.07.

<sup>†</sup> p < 0.10; \* p < 0.05; \*\* p < 0.01

added to the model as is shown in Table 8.4. The effects of the control variables are similar for solidarity towards the elderly, the sick and disabled, and immigrants. Welfare spending is not related to people's willingness to help these groups. Religious denomination is positively related to the willingness to help others; this effect is slightly lower for the willingness to help immigrants. The results for gender indicate that women are more willing to



help others than men. Living with a partner in a stable relationship is positively related to the willingness to help others. Being employed does not affect the willingness to help others. Age is curvilinearly related to the willingness to help others; both younger and older people are less willing to help others compared to people in the age group between 35 and 65 years old. Educational level has a curvilinear relation with the willingness to help others; lower educated people are less willing to help others. The difference between lower-educated and higher-educated persons is large in the model of the willingness to help immigrants. Town size has a curvilinear effect; people living in a medium-sized town are more willing to help others than those living in small or big towns. The effects of the statistical control variables remain the same after adding the openness and social structure variables.

Table 8.5 Multilevel analysis of solidarity towards the elderly

<i>Openness</i>						
Economic openness	-0.01 (0.04)	-0.04 (0.04)				
Social openness			0.07 (0.05)	0.05 (0.07)		
Political openness					0.06 <sup>†</sup> (0.03)	0.05 (0.03)
<i>Social structure</i>						
Reliance on others		0.90 <sup>†</sup> (0.50)		0.76 (0.48)		0.60 (0.48)
National norms of giving		0.33 <sup>†</sup> (0.18)		0.29 (0.19)		0.32 <sup>†</sup> (0.18)
Mean level of trust		-0.01 (0.30)		-0.20 (0.40)		-0.13 (0.30)
Intercept	3.63** (0.05)	3.63** (0.04)	3.63** (0.05)	3.63** (0.04)	3.64** (0.04)	3.64** (0.04)
Deviance	0.03	6.60**	1.60*	4.58**	3.61**	4.75**
Intraclass correlation	0.07	0.05	0.07	0.06	0.06	0.05

Sources: European Values Study, KOF Index of Globalization and Fidrmuc and Gërkhani (2005) 31,554 respondents in 26 countries. Unstandardized regression coefficients are reported; standard errors are in parentheses.

<sup>†</sup>  $p < 0.10$ ; \*  $p < 0.05$ ; \*\*  $p < 0.01$

*Solidarity towards the elderly*

Table 8.5 summarizes the result from the analyses for solidarity towards elderly people. This kind of solidarity is not related to the economic and social openness of countries and is slightly positively related to political openness. The effect of political openness disappears after including the variables measuring social structure. National norms of giving mediate this relationship. Given these results, it can be stated that there is a weak relationship between the openness of countries and solidarity towards elderly people.

Table 8.6 Multilevel analysis of solidarity towards the sick and disabled

<i>Openness</i>						
Economic openness	0.00	-0.03				
	(0.04)	(0.04)				
Social openness			0.08	0.08		
			(0.05)	(0.07)		
Political openness					0.05	0.04
					(0.03)	(0.03)
<i>Social structure</i>						
Reliance on others		1.01 <sup>†</sup>		0.89 <sup>†</sup>		0.79
		(0.52)		(0.49)		(0.22)
National norms of giving		0.22		0.17		0.22
		(0.19)		(0.19)		(0.19)
Mean level of trust		-0.05		-0.36		-0.15
		(0.32)		(0.41)		(0.32)
Intercept	3.71**	3.70**	3.71**	3.70**	3.72**	3.71**
	(0.05)	(0.04)	(0.05)	(0.05)	(0.05)	(0.04)
Deviance	0.01	5.36**	2.18**	4.05**	2.39**	3.18**
Intraclass correlation	0.07	0.06	0.07	0.06	0.06	0.05

Sources: European Values Study, KOF Index of Globalization and Fidrmuc and Gërçhani (2005) 31,554 respondents in 26 countries. Unstandardized regression coefficients are reported; standard errors are in parentheses.

<sup>†</sup> p < 0.10; \* p < 0.05; \*\* p < 0.01

*Solidarity towards the sick and disabled*

The relationship between openness, social structure, and the willingness to help the sick and disabled are displayed in Table 8.6.

Table 8.6 shows that the three dimensions of openness are not related to this kind of solidarity. Adding the variables for social structure leads to an improvement of the models for economic and social openness because, in both cases, reliance on others is positively related to the willingness to help the sick and disabled. The conclusion drawn from the results shown in Table 8.6 is that the willingness to help the sick and disabled is not related to the economic and social openness of countries, and that the higher the level of reliance on others is in a country, the higher the willingness to help this group of people.

Table 8.7 Multilevel analysis of solidarity towards immigrants

<i>Openness</i>						
Economic openness	0.10 <sup>†</sup>	0.05				
	(0.06)	(0.05)				
Social openness			0.17*	0.09		
			(0.07)	(0.09)		
Political openness					0.06	0.02
					(0.04)	(0.04)
<i>Social structure</i>						
Reliance on others		1.17 <sup>†</sup>		1.30 <sup>†</sup>		1.26 <sup>†</sup>
		(0.67)		(0.65)		(0.67)
National norms of giving		0.28		0.26		0.30
		(0.25)		(0.25)		(0.25)
Mean level of trust		0.49		0.17		0.45
		(0.41)		(0.53)		(0.42)
Intercept	2.83**	2.83**	2.84**	2.84**	2.85**	2.83**
	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)
Deviance	2.74**	8.17**	5.37**	5.45**	2.07**	8.09**
Intraclass correlation	0.10	0.08	0.09	0.08	0.10	0.08

Sources: European Values Study, KOF Index of Globalization and Fidrmuc and Gërzhani (2005) 31,554 respondents in 26 countries. Unstandardized regression coefficients are reported; standard errors are in parentheses.

<sup>†</sup> p < 0.10; \* p < 0.05; \*\* p < 0.01

### *Solidarity towards immigrants*

Table 8.7 shows the multilevel regression for the willingness to help immigrants. From Table 8.5 it can be read that economic openness and social openness are positively related to the willing-

ness to help immigrants, the effect of political openness is also positive but not significant. The effects of economic and social openness disappear after the indicators for social structure are included in the model. In these models, the variable reliance on others is positively related to the willingness to help immigrants. From the analyses that are presented in Table 8.7, it is concluded that the willingness to help immigrants is positively related to the economic openness and the social openness of countries and that these effects are mediated by the variable reliance on others.

### *Conclusions on globalization and solidarity*

Solidarity towards the elderly is somewhat higher in politically open countries, the willingness to help the sick and disabled is not related to the openness of countries, and solidarity towards immigrants is higher in countries with a higher level of economic openness and the socially open countries. Therefore, these outcomes do not support the claim that openness undermines people's solidarity. Furthermore, we conclude that the effects of globalization differ across groups; solidarity with the elderly, the sick and disabled is not related to the openness of a country, whereas the willingness to help immigrants is higher in the more open countries. Moreover, because reliance on others explains the positive relationship between openness and solidarity, the more open countries are also the countries in which the mean level of reliance on others is higher. That people living in open countries have better access to social resources than people in less open countries supports the idea that learning from the behavior of others increases the willingness to assist others.

## 8.2 Openness and the organization of solidarity

There are three different interpretations of the relationship between openness and solidarity, depending on how the questions in the European Values Study about the willingness to help others are understood. According to the first interpretation, this question measures the level of informal help that people offer (Van Oorschot & Arts 2005). In contrast, the second interpretation argues that the willingness to help others reflects the level of support for the welfare state. A third interpretation, which we follow in this chapter, is that the willingness to help others refers to a

broader attitude that people have towards those in society who they think should be assisted. Such assistance can be offered informally, for instance by directly helping these groups, or formally through the welfare state. According to this interpretation, additional information is necessary to draw conclusions about whether people would like to provide help themselves, informally, or through the welfare state. In the second part of this chapter, we discuss the preferences that people have regarding the organization of solidarity and how they are related to the economic, social and political openness of countries.

### 8.2.1 *Theory*

People run several risks in everyday life, such as illness and unemployment, which may be dealt with in several ways. Usually, effective coverage of risks implies that individual contributions are pooled and arrangements are created, providing rules which regulate who can make use of these collective means, leading to a system of collecting and redistributing resources. The three fundamental means for allocating resources that are identified in the literature are termed “markets,” “governments” (or bureaucracies), and “communities” (Bowles & Gintis 1996). These allocation mechanisms offer different solutions for dealing with risks. For instance, when a person gets ill and needs help from others, it is possible that help is provided through the market if there is a private insurance covering the costs for medical care. It can be provided through the government if there are collective arrangements or if the care is provided by the government, and finally, this person may also receive informal help offered by relatives and friends. The result is similar in all three cases: the sick person gets help. Nevertheless, the means through which the help is offered differ. The market functions through the price mechanism bringing together demand and supply, the government uses formal rules and control mechanisms, and the community is characterized by informal relations and mutual trust (Bowles & Gintis 2002). These three mechanisms for allocating resources can be distinguished by the level and the kind of solidarity they require. Market relations are characterized by the lowest level of solidarity compared to the other two mechanisms. Both the provision of help through the government and help through the community require solidarity, but they differ with respect to the kind of soli-

clarity on which they are based. In the first case a system of formal and compulsory solidarity is at work, and the latter is based on informal and voluntary solidarity.

In the literature, especially the area of economic theories of organization such as the transaction cost approach (Williamson 1981), there is a focus on a dichotomy between the market and bureaucratic arrangements; in the case of risk coverage, there is a choice between the price mechanism and formal regulation by the government. For analyzing such choices it is argued that as long as the price mechanism functions well, this will be the most efficient solution, but if the market fails, it is more efficient to use bureaucratic arrangements. As such, the notion of market failure is at the heart of economic theories of organization (Simon 1991). In principle, everything can be taken care of through the market, and the only reason for government intervention is a market failure. As a result, this approach aims at identifying the causes of such failures, which are related to human behavior and cognition as certain characteristics of market relationships. It is assumed that people are not perfect, but are rational actors that may act opportunistically; they are not able to take all possible actions and their consequences into consideration, and they may take advantage of a situation if the market relation gives them a chance of doing so. Bounded rationality and opportunism do not create market failures as such, but may do if certain conditions are present. Market relationships can differ with respect to their complexity, uncertainty, and the number of actors involved. Assuming bounded rationality and opportunism, markets are more likely to fail if the market relationship is more complex, more insecure, and if fewer actors participate (Williamson 1975).

Applied to the example of medical care, in which it is difficult to get information about other actors, two problems can occur. The first potential problem is that it leads to a process called adverse selection (Akerlof 1970). The ones who have a lower risk of getting ill are less likely to be willing to pay for insurance if they will not benefit from it. If they do not participate, the costs for insurance will go up because fewer people are paying for it while more people depend on it and need money to pay their hospital bills. In turn, as the costs increase it drives out the people with an average chance of getting ill. Even though they may need the insurance, the costs are too high for them to pay off. In the end, the cost of getting insured is too high for everyone, leading to a situation in

which no one is willing to get insurance while at the same time knowing that everyone would benefit from it if it were available. The second problem that may occur if there is an insurance scheme to cover risk is moral hazard (Arrow 1963). If people know that their risks are covered, they may change their behavior and take risky actions or even deceive an insurance company in order to get money. The tendency is clearly illustrated by the case of “Nub City”. The story about this small town appeared in the *Wall street Journal* of December 23, 1974, reporting on the great number of people losing their arms and legs. Investigations by experts showed that this situation did not result from accidents but because people were willing to hurt themselves in order to claim insurance money (Dornstein 1996). Undoubtedly, this is a very extreme example, showing that behavior may be affected if there are insurance schemes in place. As a consequence, the costs for insurance rise and people have to pay more, including those who do not embark on more risk-taking behavior than before they were insured. For this latter group of people, it becomes less attractive to pay for the insurance. Again, this starts a process through which people withdraw and the costs for insurance rise.

That markets for insurance can fail due to problems of adverse selection and moral hazard has been used as an argument for government intervention to regulate these markets. The most common solution proposed to deal with these problems is that governments introduce a compulsory insurance, limiting people’s choices, to make sure that both the good and the bad risks are represented, combined with extensive monitoring and formal sanctions to make sure that everyone contributes and only those people who really need it can profit.

The argument outlined above illustrates the dichotomy between market and government solutions that is central to the literature on economic organization. Markets can be used to cover risks, but government intervention may be more efficient if markets fail. In these approaches, two solutions represent the extremes of a continuum for the allocation of resources. Nevertheless, it is also possible that both markets and governments fail. In particular, this may be the case if there is more insecurity about the transaction and if the actors have conflicting interests (Ouchi 1980). An additional mechanism that can be added to the dichotomy is termed “community” and may be a means to overcome problems of failing markets and governments. Community relationships are typified

by a high level of interdependence among members of a community and the longevity of these relationships. The advantage of communities over market and government solutions is that they contain more accurate information about the behavior, abilities, and needs of the members, increasing possibilities for sustaining norms and the search for efficient solutions that are not undermined by adverse selection and risk-seeking behaviours (Bowles & Gintis 2002). Although communities and government solutions both require that people are willing to share resources with others, they differ with respect to the kind of solidarity associated with them. In contrast to the compulsory solidarity organized through the government, community relationships are characterized by voluntary solidarity among the members.

Which of the three mechanisms is likely to be the most efficient depends on the characteristics of the transaction. In the theoretical literature as well as in policy discussions, considerations about the most efficient solution are usually top-down. In these instances it is estimated which of the mechanisms will function the best given the complexity, uncertainty and the number of actors involved in the transaction. The current section uses a bottom-up approach to this problem, namely by investigating people's preference for one of the three mechanisms with regard to their willingness to help others. If people are not willing to help others, it is assumed that they prefer the market mechanism, and if they do want to help others, this can be organized through the government, requiring compulsory solidarity or the community, based on voluntary solidarity. The preference that people have towards the organization of solidarity depends on the extent to which they believe that one of the mechanisms will be a good solution. Further, beliefs concerning the mechanisms are assumed to be influenced by the social structure in which they should cover a certain risk. The three mechanisms are related to the level of uncertainty, complexity and the number of people. The market mechanism will be the most efficient solution if the level of uncertainty and complexity is low and many people are involved, which is necessary to let the price mechanism do its work and bring supply and demand together. The chances of market failure increase as the uncertainty and complexity within society increase, and people will be more willing to let the government take over to come up with solutions that cannot be left to the market. If the level of uncertainty and complexity move beyond a certain critical



point, people will start to doubt that the government is able to develop efficient solutions, and they will be more in favor of creating their own solutions within their community. This latter point involves far fewer people than in the case of the market and the government mechanism and leads to additional coordination costs. Since communities are relatively small and the members that are part of them are able to monitor each other's behavior and intentions, norms and sanctions can be developed to sustain solidarity within them to handle these additional costs.

### *The effects of globalization*

As was theorized in the previous section, people will prefer the mechanism that they believe is the best way of dealing with a certain risk and to overcome problems of opportunism. These beliefs depend on the social structure of society. Therefore, the different kinds of openness at the national level may influence people's preference for the organization of solidarity through the effects that they have on the social structure.

### *Economic openness*

Economic openness can influence people's preferences as follows. It is argued that economic openness leads to more insecurity and that the social norms and social structure necessary to sustain solidarity may be undermined (Rodrik 1997; Blossfeld, Buchholz & Hofäcker 2006). A higher level of insecurity either implies that people's risks increase or that the number of people facing a certain risk increases. In both cases the uncertainty and complexity within countries increase, and it becomes more difficult to cover these risks through the market. It may be questioned then whether insurances will be able to cover these risks efficiently. Therefore, economic openness increases the preference for compulsory solidarity provided through the government. The condition that needs to be met is that there is a certain level of solidarity among the citizens of a country, since they have to be willing to spend financial resources for these collective arrangements from which they may not benefit themselves. As is shown by research concerning welfare state support, people will be in favor of collectively organized solidarity if they have the impression that others are not taking advantage of their contributions (Bowles & Gintis 2000). If the level of insecurity increases further, due to more economic openness, it is possible that people will not put their trust

in the government to deal with these risks and will be increasingly inclined to come up with solutions within their own community and thus have a stronger preference for voluntary solidarity. The expectation is, therefore, that the preference for voluntary solidarity is the strongest in the most economically open countries because of increased insecurity.

### *Social openness*

The effect of social openness on the preference for solidarity is based on the assumption that the socially open countries have a more heterogeneous social structure because of the international flows of information, culture and people. The level of social cohesion may decrease within these countries because of this increased heterogeneity (McPherson, Smith-Lovin & Cook 2001). Within heterogeneous countries, there is more uncertainty about the behavior and intentions of fellow citizens, and as risks may also be distributed less homogeneously among citizens, societal complexity is higher. This increases the likelihood of market failures. As risks vary more, a problem with private insurances can occur because chances are greater that people with the lowest risks are less willing to pay for insurance, leaving the people who have a high risk with an insurance that they may not be able to afford. At the same time, the preference for compulsory forms of solidarity can increase because of lower levels of actual and perceived interdependence among people. The expectation is, therefore, that people are less willing to contribute to collective arrangements such as the welfare state. Increased heterogeneity can thus lead to a higher preference for voluntary solidarity organized through the community. Whereas the heterogeneity of the national social structure increases, this does not have to be the case for local structures in which people know each other well enough to deal with problems of opportunism. We thus expect that the preference for voluntary solidarity is stronger in socially open countries because of increased heterogeneity.

### *Political openness*

Political openness is a consequence of the international political relations between countries and is expected to have less direct effects on the social structure of countries than economic and social openness. Nevertheless, there may be an indirect effect since political openness can have a stabilizing effect through the interna-

tional relations that can prevent the negative effects of insecurity caused by economic openness (Dreher 2006). If political openness does indeed have such a stabilizing effect, there will be no threat to the level of compulsory solidarity. On the contrary, if countries counter the negative effects of economic openness successfully, this may increase the preference for compulsory solidarity among their citizens. This leads to the prediction that the preference for compulsory solidarity is stronger in politically open countries because of the stabilizing effect of international relations.

### 8.2.2 *Data and analyses*

#### *Data*

We use data about the same 26 countries as in Section 8.1, available through the *European Values Study*, the *KOF Index of Globalization* and the *International Monetary Fund*, to perform the analyses.

#### *Dependent variable: organization of solidarity*

The dataset does not include a variable measuring the preferences that people have towards the organization of solidarity. The variable *organization of solidarity* is constructed using two variables from the EVS that represent the distinction between no solidarity, compulsory solidarity, and voluntary solidarity made earlier in this section. The first variable measures whether people are willing to help the elderly, the sick and disabled, and immigrants. In the EVS this variable is measured on a five-point scale (1 = absolutely not; 5 = absolutely yes). This variable has been recoded to the two categories “prepared to help” for the people scoring 1, 2 or 3 and “not prepared to help” for the people scoring 4 and 5. The second variable measures whether people think individuals or governments should take more responsibility, ranging from 1 to 10. This variable is also recoded into two categories; the persons scoring between 1 and 5 indicate that they prefer “individual responsibility” and the ones scoring between 6 and 10 prefer “government intervention”. The variable organization of solidarity combines these two variables measuring whether people are prepared to help others or not and whether they prefer individual or government responsibility. This variable is constructed for three groups: the elderly, the sick and disabled, and immigrants.

### *Explanatory variables*

We included the same control variables and indicators for openness as in Section 8.1. The variables measuring social structure are not included.

### *Method*

Table 8.1 provides an overview of the variables used in this study, the level at which they are measured and the data sources from which they are taken. Because of the nature of the data, standard regression analysis cannot be applied. First, the dataset includes information at two different levels. Individual preferences and characteristics are measured at the lowest level, and information about the country's openness and the welfare state is measured at the national level. Secondly, the variables used in this study to investigate people's preferences are categorical. People prefer one of the possibilities – no solidarity, compulsory solidarity, or voluntary solidarity – to the others, and therefore these variables either have the value 0 or 1. If people have a value of 1 on one of the variables, it implies that they have a 0 on the other two variables. Logistic multilevel analysis is applied to deal with the type and structure of the data in which each of the three possibilities is the dependent variable for the level and kind of solidarity people prefer towards the elderly, the sick and disabled, and immigrants. The analyses are performed in two steps. First, the effects of the statistical control variables are investigated. The second step examines the influence of economic, social and political openness in different models. The effects of the statistical control variables do not change a great deal after including these national level variables, and therefore they are reported separately.

### 8.2.3 *Results*

#### *Descriptive results*

Table 8.8 summarizes the distribution of people's preference for solidarity towards the three groups of people. At the aggregate level, including all 26 countries, these preferences are almost the same for the elderly and the sick and disabled and are different for immigrants. About 37 percent of the people are not prepared to help the first two groups and almost twice as many people – 75 percent – are not prepared to help immigrants. For all three groups, more people prefer voluntary solidarity to compulsory so-

lidity. Table 8.8 also shows that there are differences between the 26 countries with regard to the distribution of the preferences. The preparedness to help all three groups is particularly low in Estonia and Ukraine. In Sweden and Italy the solidarity with the three groups is the highest.

Table 8.8 Distribution of the three mechanisms

	Elderly			Sick and disabled			Immigrants		
	Not	Compulsory	Voluntary	Not	Compulsory	Voluntary	Not	Compulsory	Voluntary
France	41	15	44	37	16	47	75	05	20
Great Britain	45	17	38	42	18	41	86	05	10
Germany	46	22	32	50	20	31	77	09	14
Austria	40	14	46	41	14	45	80	05	16
Italy	19	39	41	18	40	42	53	22	24
Spain	43	28	29	45	28	27	65	19	17
Portugal	39	23	37	34	25	41	79	08	13
Netherlands	37	22	41	35	23	43	65	12	23
Belgium	35	26	39	33	27	40	69	13	19
Denmark	33	17	50	30	19	52	70	08	22
Sweden	15	22	63	12	23	65	32	18	50
Finland	29	26	45	27	27	46	77	08	14
Ireland	19	25	47	18	24	58	65	11	24
Estonia	67	18	14	61	22	17	91	06	02
Latvia	44	34	22	41	38	21	88	09	04
Lithuania	66	14	20	65	15	20	96	01	03
Poland	32	30	38	28	32	41	83	07	10
Czech Rep.	37	25	39	24	28	48	85	05	10
Slovakia	31	41	29	29	42	29	79	11	10
Hungary	39	35	26	38	36	26	91	05	03
Romania	33	27	40	36	24	39	78	09	13
Bulgaria	40	27	33	33	29	38	82	08	11
Greece	34	34	33	29	35	36	71	13	16
Malta	23	32	45	18	35	47	73	10	16
Luxembourg	43	15	42	37	17	47	59	12	30
Ukraine	60	21	19	59	21	19	91	05	05
<b>Total</b>	<b>37</b>	<b>25</b>	<b>37</b>	<b>35</b>	<b>26</b>	<b>39</b>	<b>75</b>	<b>10</b>	<b>16</b>

Sources: European Values Study

31,554 respondents in 26 countries. Percentages are reported.

### *Results from the logistic multilevel analysis*

The results of the models including the statistical control variables are reported in Table 8.9. These analyses show that welfare state

Table 8.9 Logistic multilevel regression analyses: control variables

	Not			Compulsory			Voluntary		
	Elderly	Sick and disabled	Immigrants	Elderly	Sick and disabled	Immigrants	Elderly	Sick and disabled	Immigrants
Welfare spending	-0.01 (0.02)	-0.01 (0.02)	-0.03 <sup>†</sup> (0.02)	-0.02* (0.01)	-0.02* (0.01)	0.02* (0.01)	0.05** (0.02)	0.04** (0.02)	0.03 <sup>†</sup> (0.02)
Religious denomination	-0.21** (0.03)	-0.23** (0.03)	-0.12** (0.04)	0.02 (0.04)	0.05 <sup>†</sup> (0.03)	-0.02 (0.05)	0.22** (0.03)	0.20** (0.03)	0.19** (0.04)
Gender (1 = female)	-0.20** (0.03)	-0.17** (0.03)	-0.10** (0.03)	0.17** (0.03)	0.14** (0.03)	0.16** (0.04)	0.07* (0.03)	0.05 (0.03)	0.02 (0.03)
Stable relationship	-0.21** (0.03)	-0.17** (0.03)	-0.05* (0.03)	0.05 (0.03)	0.04 (0.03)	0.04 (0.05)	0.18** (0.03)	0.13** (0.03)	0.04 (0.04)
Employed	0.03 (0.03)	0.04 (0.03)	0.10** (0.03)	-0.17** (0.03)	-0.14** (0.03)	-0.21** (0.05)	0.11** (0.03)	0.09** (0.03)	0.01 (0.04)
Young	0.40** (0.03)	0.24** (0.03)	0.18** (0.03)	-0.24** (0.03)	-0.14** (0.03)	-0.16** (0.05)	-0.23** (0.03)	-0.12** (0.03)	-0.14** (0.04)
Old	-0.04 (0.04)	0.05 (0.04)	0.25** (0.05)	0.01 (0.04)	-0.06 <sup>†</sup> (0.04)	-0.26** (0.06)	0.05 (0.04)	0.00 (0.04)	0.17** (0.06)
Low education	0.12** (0.03)	0.14** (0.03)	0.32** (0.04)	0.09** (0.03)	0.10** (0.03)	-0.08 <sup>†</sup> (0.05)	-0.20** (0.03)	-0.22** (0.03)	-0.41** (0.04)
High education	-0.08* (0.04)	-0.06* (0.03)	-0.38** (0.04)	-0.08* (0.04)	-0.11** (0.04)	0.24** (0.05)	0.14** (0.04)	0.14** (0.03)	0.35** (0.04)
Small town	0.09** (0.03)	0.09** (0.03)	0.11* (0.04)	-0.07* (0.04)	-0.08* (0.04)	-0.03 (0.06)	-0.03 (0.03)	-0.02 (0.03)	-0.15** (0.05)
Big town	0.09** (0.03)	0.11** (0.03)	-0.02 (0.04)	-0.01 (0.03)	-0.05 (0.03)	0.13** (0.05)	-0.08** (0.03)	-0.06* (0.03)	-0.06 <sup>†</sup> (0.04)
Constant	-0.33** (0.08)	-0.45** (0.10)	1.20** (0.15)	-1.12** (0.10)	-1.04** (0.09)	-2.32** (0.13)	-0.76** (0.07)	-0.64** (0.10)	-1.92** (0.17)
Variance	0.10 (0.04)	0.13 (0.06)	0.50** (0.14)	0.16 (0.05)	0.15 (0.04)	0.34** (0.10)	0.04 (0.02)	0.19 (0.06)	0.61** (0.17)

Sources: European Values Study and International Monetary Fund (2001)

31,554 respondents in 26 countries. Unstandardized regression coefficients are reported; standard errors are in parentheses.

<sup>†</sup> p < 0.10; \* p < 0.05; \*\* p < 0.01

effort does have some influence on people's preferences regarding the organization of solidarity. As the welfare state is more extensive, the preference for voluntary solidarity is higher compared to compulsory solidarity. Individual characteristics are also related to people's preferences. People who belong to a religious denomination and those who are more highly educated prefer voluntary solidarity. Women are more in favor of compulsory solidarity than men are. Again, the results for the elderly and the sick and dis-

abled are similar, and they differ from those for immigrants. With regard to the first two groups, it is shown that people with a stable relationship and people who are employed prefer voluntary solidarity and that lower-educated people prefer compulsory solidarity. With respect to immigrants, it turns out that older people prefer voluntary solidarity towards this group.

*Solidarity with the elderly*

The effects of adding economic, social and political openness for the preferences regarding solidarity with elderly people are reported in Table 8.10. Economic openness is related to a lower preference for compulsory solidarity. Social openness has three effects. People in the more socially open country are a little less willing to support the elderly. At the same time, the people who are willing to support this group are more in favor of voluntary solidarity and less in favor of compulsory solidarity compared to people living in less socially open countries. Political openness is related to a lower preference for compulsory solidarity.

Table 8.10 Logistic multilevel regression analyses: elderly people

	Not			Compulsory			Voluntary		
Economic openness	0.05 (0.04)			-0.15* (0.07)			0.04 (0.03)		
Social openness		0.23* (0.11)			-0.31** (0.12)			0.17** (0.06)	
Political openness			-0.12† (0.09)			-0.14* (0.09)			0.02 (0.04)
Constant	-0.36** (0.09)	-0.31** (0.06)	-0.43** (0.09)	-1.12** (0.09)	-1.07** (0.09)	-1.08** (0.07)	-0.77** (0.07)	-0.75** (0.07)	-0.76** (0.08)
Variance	0.08 (0.03)	0.00 (0.00)	0.08 (0.04)	0.14 (0.04)	0.12 (0.03)	0.01 (0.01)	0.04 (0.02)	0.03 (0.02)	0.04 (0.02)

Sources: European Values Study and KOF Index of Globalization

31,554 respondents in 26 countries. Unstandardized regression coefficients are reported; standard errors are in parentheses.

† p < 0.10; \* p < 0.05; \*\* p < 0.01

*Solidarity with the sick and disabled*

The results of the logistic multilevel analysis for the sick and disabled including economic, social and political openness are sum-

marized in Table 8.11. These results are roughly the same compared to those for solidarity towards the elderly, with the exception that social openness is related to a higher level of solidarity towards this group and that political openness does not have an effect.

Table 8.11 Logistic multilevel regression analyses: the sick and disabled

	Not			Compulsory			Voluntary		
Economic openness	-0.00 (0.10)			-0.13* (0.07)			0.10 (0.08)		
Social openness	-0.23** (0.16)			-0.24** (0.12)			0.40** (0.12)		
Political openness	-0.09 (0.10)			-0.07 (0.07)			0.13 (0.08)		
Constant	-0.47** (0.11)	-0.45** (0.06)	-0.50** (0.11)	-1.04** (0.09)	-1.04** (0.09)	-1.05** (0.09)	-0.65** (0.10)	-0.68** (0.07)	-0.63** (0.08)
Variance	0.28 (0.08)	0.24 (0.10)	0.08 (0.04)	0.13 (0.04)	0.13 (0.03)	0.15 (0.01)	0.18 (0.05)	0.14 (0.04)	0.18 (0.05)

Sources: European Values Study and KOF Index of Globalization

31,554 respondents in 26 countries. Unstandardized regression coefficients are reported; standard errors are in parentheses.

† p < 0.10; \* p < 0.05; \*\* p < 0.01

### *Solidarity with immigrants*

The results from the analyses regarding immigrants differ from the other two groups, as can be read from Table 8.12. Here it is found that the economic, social and political openness of countries is related to a stronger preference for voluntary solidarity. Moreover, whereas the openness of countries is related to a lower preference for compulsory solidarity regarding the elderly and the sick and disabled, this is not the case for solidarity towards immigrants.

### *Conclusion on globalization and the organization of solidarity*

Based on the results of the statistical analyses, it is concluded that in general the willingness to help the elderly and the sick and disabled is higher than the willingness to help immigrants and that voluntary solidarity is more strongly preferred for all three groups than compulsory solidarity. Secondly, the openness of countries



does influence these preferences but differs for the three groups. In the case of solidarity towards the elderly and the sick and disabled, the preference for voluntary solidarity is higher, and the preference for compulsory solidarity is lower as countries are more open. This is particularly the case for social openness. With respect to immigrants, the preference for voluntary solidarity is also higher in more open countries; however, for this group the higher openness is not related to less support for compulsory solidarity.

Table 8.12 Logistic multilevel regression analyses: immigrants

	Not			Compulsory			Voluntary		
Economic openness	-0.20 <sup>†</sup> (0.13)			-0.03 (0.11)			0.26* (0.14)		
Social openness	-0.32* (0.16)			0.01 (0.14)			0.57** (0.15)		
Political openness	0.17 <sup>†</sup> (0.11)			-0.02 (0.10)			0.26** (0.11)		
Constant	1.20** (0.14)	-1.23** (0.13)	-1.11** (0.12)	-2.33** (0.14)	-2.35** (0.14)	-2.26** (0.12)	-1.93** (0.16)	-1.95** (0.14)	-1.80** (0.12)
Variance	0.46 (0.13)	0.22 (0.12)	0.12 (0.07)	0.34 (0.10)	0.24 (0.10)	0.09 (0.05)	0.53 (0.15)	0.35 (0.13)	0.13 (0.07)

Sources: European Values Study and KOF Index of Globalization

31,554 respondents in 26 countries. Unstandardized regression coefficients are reported; standard errors are in parentheses.

<sup>†</sup> p < 0.10; \* p < 0.05; \*\* p < 0.01

### 8.3 Conclusions

In this chapter we examined the relationship between globalization and solidarity in two different ways. The first part of the analysis concentrated on the effect of openness on the willingness to help several distinct groups in society – the elderly, the sick and disabled, and immigrants. We complemented these results with a different indicator that enables us to investigate the consequences of globalization on people’s preferences for the organization of solidarity, and hence how much they favor welfare state provisions.

Considered in unison, the outcomes of the two analyses emphasize the importance of people's direct social context for their solidarity. Moreover, this may be increasing because of globalization. The first analysis showed that solidarity can be explained by the positive information that people receive through their social relations, and the second analysis adds that the openness of countries is related to a higher preference for voluntary solidarity. As such, the two analyses underline that social cohesion is not disappearing due to globalization. On the contrary, based on the results it can be argued that openness increases the need for community relations. That this particularly holds for social openness can be attributed to increased possibilities for communication. Whereas the Internet enables people to have contacts all over the world, it should also be noted that people use it as a means to keep in contact with people that are close to them. As a consequence, the Internet may also strengthen local networks, which is also confirmed in recent studies on the influence of the Internet on social relations, showing that people use it for their contacts with neighbors and relatives (Franzen 2000; Hampton & Wellman 2000).

Though it is tempting to think in terms of causal relations, it should be noted that the empirical study presented in this chapter does not allow us to draw conclusions about the direction of the effects. It is also possible that the countries in which the level of reliance on others is higher and those with more support for community solidarity are better suited to engage in cross-border interactions with other countries. If, however, our results are indeed a response to increasing levels of openness, then there may be reason to speculate that the less open countries will follow a similar path to the open countries. With the available data it is not possible to test this prediction.

The results differ for the three groups that were identified, in the sense that they are similar for the elderly and the sick and disabled and different for immigrants. That people are less supportive towards immigrants compared to the elderly and the sick and disabled may have two explanations. The first explanation is that this distinction results from boundaries between the in-group and the out-group, and the second explanation is that immigrants are regarded as less in need of help than the other two groups, which clearly require assistance from others. Which of the two explanations holds true is a question open to discussion and may be investigated in future research. Furthermore, the results of

openness are also different for the three groups, leading to the conclusion that solidarity studies should distinguish which groups people are willing to support. The effects of economic openness were only confirmed with respect to immigrants; people prefer voluntary solidarity towards this group as their country is economically more open. The finding that there is less support for compulsory solidarity in the case of elderly people and the sick and disabled seems to indicate that in these instances people question whether the government will be able to support these groups given economic openness, but that it is not clear which of the two alternatives people support; it may lead some people to prefer a market solution, while others have a stronger preference for voluntary solidarity.

The expectation that political openness will have a stabilizing effect and that therefore the support for compulsory solidarity will not be lower was rejected. A possible explanation for this finding is that people's preferences may be influenced by the information they get from political actors. As has been suggested by others, international political relations and the involvement in international organizations such as the International Monetary Fund and the World Bank influence the views of political actors concerning the policy that should be followed (Simmons, Dobbin & Garrett 2006). Within these international relations there is a strong preference for neo-liberalism, the political ideology supporting the view that welfare states should be curtailed and cannot be sustained as globalization moves on. Additional research should investigate whether people's preferences towards compulsory solidarity and the welfare state are affected by the international processes.

As such, the conclusion of this chapter is similar to the conclusion of Chapter 7. Apart from the fact that the welfare state is not threatened by the different dimensions of globalization, it is also not the case that it has a dramatic impact on the level of solidarity. A second implication deals with the relationship between the welfare state and solidarity. The welfare state has been criticized for undermining informal solidarity and commitment to society. The findings do show that a more extensive welfare state is related to a higher preference for voluntary solidarity, which does not support the concern that welfare states are crowding out community relationships. In contrast to that, it can be argued that the welfare state enables communities to create voluntary solidarity. The third

implication deals with the organization of the welfare state. Most of these discussions revolve around the dichotomy between markets and governments, as if they are the only two ways of organizing solidarity. The argument used in these discussions is that the market should take over if the government is not functioning efficiently. The analyses presented in this chapter show that organizing solidarity through the community should be added to this dichotomy and offers a third possible solution. This is not only a matter of theory but should also be considered in practice. If cuts in the welfare states are regarded as necessary, this does not mean that the market is the only option at hand, it should be considered to what extent communities and voluntary solidarity can offer a valuable solution as well.

## Note

1. This chapter is based on Koster (2007) and Koster (2009b).

