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CHAPTER TEN

THE WELFARE STATE: VILLAIN OR HERO OF THE PIECE?

WIL ARTS, LOEK HALMAN & WIM VAN OORSCHOT

1 *Introduction*

According to some, there is a story to be told in contemporary Western Europe of diminishing social capital and decreasing informal solidarity and civic morality. This story does have a villain, and the villain is truly detestable: it is the welfare state. According to others the welfare state is sooner the hero of this story. Wherever social capital, informal solidarity and civic morality are still in good condition it is thanks to the welfare state.

This difference of opinion between welfare state pessimists and optimists has all the characteristics of earlier disputes about alleged moral decline. History abounds in descriptions of times and places in which some people were lamenting the loss of public spirit and the decay of morals, while others shrugged their shoulders as to so much lack of understanding of the spirit of the age. Today we can easily conclude, with the benefit of hindsight, that sometimes the complaints of the pessimists were correct and sometimes they were wide off the mark. In the past also the optimists have been now and then in the right and sometimes in the wrong.

So, invoking the help of history does not help us settling the dispute. Glancing rapidly through the literature does not help us either. For, at least at first sight, it looks as if the dispute produced more heat than light. Both sides in the dispute have an inclination to claim the moral high ground and to preach for the converted. What we want to do in this chapter is to stay aloof from the ideological positions in the dispute and choose a more sophisticated approach instead. We will treat the standpoints of welfare state optimists and pessimists as theoretical conjectures that can be tested empirically. By doing so we will try to shed new light on the dispute.

What we more specifically want to do in this chapter is to reconstruct first of all the debate on the 'moral evil effects of the welfare state' thesis. At the center of this debate is the question of whether the welfare state has had unintended adverse effects on the amount of social capital, the level of civic morality and the degree of informal solidarity specific

to contemporary Western European societies. Next we will use this theoretical reconstruction as a heuristic tool for formulating informative hypotheses. Then we will put these hypotheses to the empirical test by analyzing data from the 1999/2000 wave of the European Values Study survey. We will limit the countries to be analyzed to the member states of the European Union. Next, we will explore the personal and contextual characteristics that influence people's informal solidarity and civic morality. Finally, we will conclude whether the welfare state is indeed the villain or sooner the hero of the piece or that the relation between welfare statism, social capital, civic morality, and informal solidarity is a much more complex one than both sides in the dispute realized.

2 *The 'moral evil effects of the welfare state' debate*

The history of the development of European welfare states is a long and complicated one (Flora & Heidenheimer, 1981; Mommsen, 1981; De Swaan, 1988). The take-off of the welfare state as a type of society *sui generis* occurred as early as the end of the nineteenth century. It took, however, till the middle of the twentieth century before the golden age of the welfare state was suddenly upon us. Its heyday lasted for somewhat more than two decades. What followed thereafter was an apparently never-ending crisis that gave rise to recesses of welfare state retrenchment. Boje (1996) has argued that in the heyday of European welfare states during the 1960s and 1970s civil society was gradually shut out of welfare provision because of strong and comprehensive welfare state intervention. Welfare state institutions took over in large numbers the obligations of support previously located in civil society and family networks. Welfare state ideologues and politicians were, however, aiming too high at that time. Welfare state institutions appeared to cost the earth and proved to be uncontrollable at the governmental and administrative level. A crisis ensued. By the end of the 1980s a new shift took place, but now in the balance between the market and the state. Welfare state retrenchment took place by means of the privatization and marketization of public services. The state retreated gradually from welfare provision. Boje argues that the political efforts to de-commodificate individuals via welfare state intervention in the 1960s and 1970s and to re-commodificate them by strengthening the market mechanism in the late 1980s and the 1990s has to some extent led to a destruction of community and family networks and the isolation of individuals. Also according to others, neo-liberal social policy-making threatens social solidarity and feelings of mutual responsibility, e.g., because market-oriented provision runs the risk of exhausting the moral legacy of citizenship and trust on

which they depend (Goodin, 1996; LeGrand; 1997; Taylor-Gooby, 1998).

For others, however, only the welfare state itself is the real villain of the piece. Wolfe (1989) for example not only argues that comprehensive welfare states have squeezed families, communities, and social networks. He also claims that an historical irony may exist: when social obligations become public, intimate ties will weaken and so will distant ones, thus undermining the very moral strength the welfare state has shown earlier on. Zijderveld (1983, 1998) too is of the opinion that welfare state development has hollowed out and eroded intermediate social structures. As a result, he claims, commitment and trust declined. Just like Spieker (1986), he contends that the original welfare state ethic made place for an immoralistic ethos of consumerism and people's behavior became guided by selfishness and even hedonism. Fukuyama (2000) has advanced a more or less similar thesis. He is of the opinion that states can have a serious negative impact on the social capital of their population when they start to undertake activities that are better left to the private sector or to civil society. The ability to cooperate, he argues, is based on habit and practice. If the state gets into business of organizing everything, people will become dependent on it and lose their spontaneous ability to work with one another. According to De Swaan (1988) the modern welfare state has eroded interpersonal feelings of solidarity, and has replaced individually felt responsibility with the idea that it is the state that has to care. Finally, also Schuyt (1995) acknowledges that the developed welfare state has severe unintended social and moral consequences. He refers among others to the withering away of care obligations for family members and friends, to a growing misuse of welfare state benefits and services, and the genesis of an immoralistic welfare ethic, in which hedonism and selfishness have become dominant attitudes.

Taking these ideas and opinions together, two different lines of argument seem to show up. One line argues that welfare state provision is 'crowding out' civil society institutions, informal networks and spontaneous activities, by making them superfluous. And a second line of argument stressing that the welfare state has an effect of 'moral corruption' on citizens, who lose feelings of mutual responsibility and solidarity, and become selfish, hedonistic, and uncaring.

The problem with these two lines of argument is that they are mainly based on theoretical conjectures, anecdotal evidence and ad hoc interpretations. The proponents of the 'evil effects' thesis, i.e., the welfare state pessimists, have hardly ever tried to empirically test their thesis. It will therefore not come as a surprise that the opponents have criticized the

thesis on empirical grounds. One argument against the crowding out effect to be found in the literature is that in Scandinavia the development of the encompassing welfare states has been attended by an expansion of civil society. Kuhnle and Alestalo (2000) for example argue that in Scandinavia a positive relationship exists between welfare state development and market and third sector (civil society) welfare provision. According to Kuhnle and Selle (1990) in Scandinavia voluntary associations have often actively been searching for greater state involvement and have fully accepted to play a structural role in the overall set up of the national welfare state. Rothstein (2001) argues that research findings show that the Swedish welfare state has not eroded people's activities in civil society and voluntary organizations. On the contrary, such activities have grown slightly in the course of the last few decades. Nor could a detrimental effect on informal social networks during this period be established. The data shows that there has even been a strengthening of informal social ties during this period.

The 'moral corruption' line of argument too has been criticized from an empirical point of view. Review studies for example show that (higher) unemployment benefits do not corrupt the work ethic (Jehoel-Gijsbers et al., 1995; Bryson, 1997; Gallie & Alm, 2000), nor do they inhibit unemployed people to look for a job and to accept one if offered (Atkinson, 1989; Barr, 1992); social expenditures targeted at elderly people do not undermine intra-family and inter-generational solidaristic feelings and behavior (Kohli, 1999; Attias-Donfut & Arber, 2000; Knijn, 2002); as said, voluntary work is not less in well-developed welfare states than in others, on the contrary (Kuhnle & Selle, 1990; Rothstein, 2001); and, in a well-developed welfare state as the Netherlands repeated surveys show that over a time-period from 1960 onwards no consumeristic ethic has developed (Ester & Halman, 1994), nor have citizens become more 'calculating' and selfish, nor have pro-social attitudes, trust in other people and supportive behavior in families and neighborhoods declined (Dekker & De Hart, 2000).

Advocates of the 'moral evil effects' thesis could explain these falsifications away by arguing that they offer no overall test of their thesis, because they refer only to particular countries or welfare state regimes. And even if they are considered to be proper tests they only refute the thesis of the pessimists, but do not prove that the optimists' thesis is correct. So, a more comprehensive and systematic test is needed. Before proceeding with such a test we must first, however, derive informative hypotheses from the 'theories' that provided the opinions and arguments of the pessimists and optimists.

3 Hypotheses

Although there is in Western Europe no such thing as *the* welfare state, this does not mean that welfare states are unique cases. Most students of welfare statism assume that welfare states come in types because they have developed along more or less similar lines in several countries. Those types vary considerably with regard to their accent on and their comprehensiveness of welfare provisions and their inclusiveness of social citizenship. According to Esping-Andersen (1990) individual specimens cluster together in three highly distinct regime-types, each organized around its own discrete logic of organization, stratification and social integration. Each of the three types, he identifies with a deep tradition in political mobilization and political philosophy (conservatism, liberalism, and socialism respectively). These traditions have a link to particular features of contemporary social policy and socio-economic configurations. Most other students of the welfare state fall in with Esping-Andersen's opinion that in modern advanced capitalism welfare states are not unique, but they disagree with respect to the number of distinctive worlds of welfare capitalism. Arts and Gelissen (2002) have reconstructed several welfare state typologies and have concluded that they can be merged in six 'new-cum-old' ideal types. Following in their footsteps we will assign the real welfare states of Western Europe to four ideal types. The first type is the liberal or Anglo-Saxon welfare state. The second one the conservative-corporatist or Continental welfare state. The third one the social-democratic or Scandinavian welfare state. And the last one the budding or Southern European welfare state.

There are natural affinities between specific welfare state regimes and the pillars (state, market, community, and family) that support these regimes (Kuhnle & Alestalo, 2000; Goodin & Rein, 2001). Some regimes sit more comfortably at top of particular pillars than others. The liberal welfare state regime has a 'natural' affinity with the market and the family; the conservative-corporatist regime with family, civil society and the state; the social-democratic one with the state; and, the budding regime type with the family and civil society. The advocates of the 'evil effects' thesis defend a *substitution hypothesis* concerning the combined effects of regimes and pillar on civic morality and informal solidarity and the opponents a *communicating vessels hypothesis* (Komter et al., 2000). The (pessimistic) substitution hypothesis assumes that formal solidarity and morality, organized and enforced by the state, and informal solidarity and morality substitute each other. The growth of the first crowds the other out or makes it at least no longer necessary. The (optimistic) communicating vessels hypothesis assumes, on the other hand, that if formal

solidarity and morality grow informal solidarity and morality do or at least can also increase, and if one declines the other is also threatened. Both hypotheses assume not only a direct, but also an indirect effect of welfare statism on civic morality and informal solidarity through the amount of social capital. The hypotheses have in common that they expect a positive correlation between social capital on the one hand and civic morality and informal solidarity on the other. They, however, disagree with regard to the answer to the question of whether the degree of welfare statism has a positive or a negative impact on social capital, civic morality, and informal solidarity. The substitution hypothesis expects a negative impact whereas the communicating vessels hypothesis expects a positive effect.

Combining the two hypotheses with the welfare state typology would lead to the following predictions. The substitution hypothesis predicts that where state organized and enforced formal solidarity and morality will be strongest, as in the Scandinavian, social-democratic welfare states, social capital will be relatively low and civic morality and informal solidarity relatively weak. In the Anglo-Saxon, liberal and Southern European, budding welfare states organized solidarity is weakest and therefore social capital will be relatively high and civic morality and informal solidarity relatively strong. The Continental, conservative-corporatist welfare states will take up a position in the middle. The communicating vessels hypothesis leads to predictions in the opposite direction.

The problem with such very crude hypotheses is, however, that welfare state theoreticians always affix a provision to them. They are assumed to hold only under the condition of a *ceteris paribus* clause. As handy as the phrase '*ceteris paribus*' may seem to be, to append it to a hypothesis constitutes an admission of defeat. Empirically, there is always a considerable chance that confounding variables will disturb the presumed causal relation. Therefore we should have to control for some contributory variables and to make informed conjectures about the confounding influence of others. However, the number of countries per type is very low (three to five depending on the type), which makes the controlling for various country characteristics impossible. Another point, which can be raised regarding the effects of welfare state type, is that some authors (Goodin & Rein, 2001) observe in today's world of welfare capitalism a blurring of the demarcation that is supposed to differentiate regime types and an equally pervasive mixing of pillars. There is in their opinion a development towards proliferation of hybrids discernible, which would mean that the regime types distinguished above will only very weakly, if at all, differentiate between social capital, civic morality

and informal solidarity. This would also be the case if others, like Kasza (2002), are right. They are of the opinion that few national welfare systems are likely to exhibit the internal consistence necessary to validate the regime concept, and that policy-specific comparisons may be a more promising avenue for comparative research. We could find a way around these problems by including as independent variables not only ordered regime types in our empirical analyses, but also numerical measures of welfare state effort, i.e., of the extensiveness and intensity of state intervention (Gelissen, 2002). This has the additional advantage that the substitution and communicating vessels hypotheses need no longer be stated in rather crude terms of ordinal differences between groups of countries, but can be more precisely stated in terms of differences between numerically ordered separate countries. Our assumptions and expectations regarding aggregate-level effects can be summarily reproduced as in Figure 10.1.

Note: + or - = + for the communicating vessels hypothesis and - for the substitution hypothesis

Figure 10.1 Hypothetical influences of welfare state type, c.q. welfare state effort, and aggregate social capital on the aggregate level of civic morality and informal social solidarity

Apart from differences at the collective level of welfare state types and countries there may be systematic variability among the citizens of countries in terms of their civic morality and informal solidarity. We will therefore also take the opportunity to explore in a second step the differences at the individual level. We will do this with reference to their belonging to different (sub)cultures, and their being differently located in social structures (Therborn, 1991). This means that we will combine in our analysis cultural and structural characteristics of individuals, as well as welfare regime and country characteristics. The relations we will analyze are as in Figure 10.2.

Figure 10.2 Hypothetical influences of contextual and individual characteristics on people's informal civic morality and social solidarity

4 Data and measurements

For both the aggregate and the individual level analyses we will use data from the 1999/2000 wave of the European Values Study survey. A much better test of the competing hypotheses would require longitudinal analyses of not only data from the 1999/2000, but also from previous EVS waves. However, the data of these earlier waves contain only very

imperfect measurements of social capital and no measurement at all of informal solidarity.

Although Western Europe contains more countries than the European Union we will limit ourselves, as mentioned before, to member states of the EU¹. In the 1999/2000 surveys of EVS all member states were included.

4.1 *Aggregate level analyses*

The crucial *independent variable* here is the type of welfare state regime a certain country has developed. Based on the typology discussion by Arts and Gelissen (2002), we will label the countries using the Esping-Andersen typology as modified by Ferrera (1996) and analyze them as instances of different welfare state types. The United Kingdom (Great Britain and Northern Ireland) and Ireland will be treated as Anglo-Saxon welfare states. France, Germany, Austria, Belgium, and the Netherlands will be conceived of as Continental conservative welfare states. Denmark, Sweden and Finland will be labeled as Scandinavian, social-democratic welfare states. Greece, Portugal, Spain, and Italy will be called Southern European, budding welfare states.

As mentioned before, we will not only use regime type as an independent variable, but also welfare state effort. This is measured per country by the average of its public social expenditures as part of GDP over the period 1990-1998 based on Eurostat Yearbook 2002 figures.

In the 'evil effects' thesis debate social capital is usually conceived of as an *intervening variable*. The problem is that the literature on social capital reveals a wide variety of definitions and measurements. Flap (1999) even comes to the conclusion that measurements of social capital are made in rather ad hoc, pragmatic and unsystematic ways. For our purposes, however, there is a quite satisfying measurement model available that contains different indicators. This model has been developed by Paxton (1999) to map the development of social capital in the USA by using data from the General Social Surveys. Janssen (2000) has adjusted this model in such a way that it can be used to analyze EVS data. The

¹ We have chosen only EU member states, with exclusion of Luxembourg that is much smaller than the other ones, for both substantial and pragmatic reasons. The substantial reason is that EU members have at a transnational level an institutional and social policy-making framework in common, whereas this is not the case for the Western European non-members. Differences between members and non-members could be the consequence of this framework instead of type of welfare state regime. The pragmatic reasons are firstly that in Norway and Switzerland the EVS survey was not fielded in 1999/2000. Secondly, data for Malta and Iceland are available, but both these countries are relatively isolated islands with a tiny population at the fringe of Western Europe. It does not make much sense to include them as rather unique cases in our analyses.

three main components are trust in other people, trust in institutions, and participation in civil society.

For the first of the three components of social capital, trust in other people, EVS has only one indicator. People were asked to tell on a 2-points scale whether they would, generally speaking, say that most people can be trusted or that you cannot be too careful in dealing with people. The second component, trust in institutions, will be measured by using four indicators. People were asked to look at a card with institutions and tell, on a 4-points scale, how much confidence they had in them. The institutions we will include in our analyses are parliament, civil service, the social security system, and the health care system. The third component, participation in society, is measured by using three indicators. The first one concerns belonging to and doing unpaid work for voluntary organizations. Janssen (2000) constructed a 3-points scale using an extensive list of fourteen voluntary organizations. The other two indicators concern times spend with friends (4-points scale) and time spend with people in clubs or voluntary organizations (4-points scale). The social capital variable used consists of factor scores resulting from factoring the three components.

The *dependent variables* are informal social solidarity and civic morality. In the context of welfare statism informal social solidarity refers to the sentiments of concern of people with respect to the basic target groups of welfare policies, i.e., the socio-economically weaker and (potentially) neediest social groups (Van Oorschot, 2000; Van Oorschot et al., 2001). In the EVS 1999/2000 wave people were asked to tell on a five-points scale to what extent they were concerned about the living conditions of four welfare target groups in their country: the elderly, the unemployed, immigrants, and sick and disabled people. Answers regarding all four groups correlate positively, but especially strong regarding the elderly and the sick and disabled (Pearson $r = .67$). For this reason we have taken the two latter groups together to form one group of 'unabled', next to the 'unemployed' and 'immigrants' groups.

Civic morality will be measured by looking at people's answers on a 10-points scale to the question of whether, and if so to what extent the actions of people who do not discharge their duties as citizens can be justified. Four indicators will be used: 1) claiming state benefits which one is not entitled to, 2) cheating on tax if one has the chance, 3) accepting a bribe in the course of one's duties, and 4) paying cash for services to avoid taxes. The scale-variable of civic morality results from a factor analysis on these four indicators.

4.2 *Individual level analyses*

As said, in order to explore factors that influence people's informal solidarity and civic morality we will relate the dependent variables mentioned above on the individual level to two sets of independent variables: a set of individual characteristics and a set of context variables.

To the first belong age, household income, educational level, religious denomination, church attendance, political left-right preference, ethnocentrism (added in case of solidarity with the 'immigrants'), and whether one is unemployed or not (added in case of solidarity with the unemployed). Age is measured in years passed since birth; level of education is measured by age when education completed; household income is measured by a self-rating in the deciles categories of a net household income scale; unemployment is measured by the question whether people were unemployed or not; political stance is measured through self-placement on a 10-point left-right scale; religious denomination is measured as whether people do or do not regard themselves as Catholics; church attendance is measured in terms of frequency of attendance per week, month, year or even longer; ethnocentrism is measured as the degree to which respondents do not accept other ethnic groups (immigrants, Muslims, Jews and gypsies) as their neighbors; the negative view of others is tapped by the respondents opinion that compatriots claim state benefits illegally, cheat on taxes and pay cash for services to avoid taxes.

The set of context variables consists of the country's welfare effort (the total of social expenditure as a percentage of GDP), as well as the following composition variables at country level (all based on respondents reports): the average age; the average household income; the average level of education; the average on the left-right scale; the percentage of Catholics and frequency of church attendance; the average level of social capital. To this are added a country's expenditures on old age cash benefits, sickness benefits, and disability benefits as percentages of GDP for the analysis of the informal solidarity with 'unabled people' (elderly, sick and disabled); expenditure on unemployment benefits for the analysis of solidarity with the unemployed; the percentage of immigrants in a country (based on Eurostat 2000, European Social Statistics) and a country's average score on reported ethnocentrism for the analysis of solidarity with immigrants; the country's average negative view on others and the country's level of corruption as it appears from the transparency index, which latter is a measure of the degree of corruption in a country as perceived by businessmen (www.transparency.org).

5 Analysis and results

5.1 Aggregate level analysis

Informal solidarity

We start the analyses with an overview of informal solidarity as a dependent variable. In Figure 10.3 we have displayed the countries' mean scores regarding the informal solidarity with the three groups of unable, unemployed and immigrants. The countries are grouped according to type of welfare state.

Unable: eta = .270; F = 83.049; p = .000.

Unemployed: eta = .264; F = 79.333; p = .000.

Immigrants: eta = .229; F = 58.465; p = .000.

Figure 10.3 Country means on concern with the unable, the unemployed, and immigrants

The general pattern is that solidarity with the 'unable' is highest in all European countries, followed by solidarity with the 'unemployed', which in turn is higher than people's solidarity with the 'immigrants'. This rank order does not come as a surprise, since it is fully in line with Coughlin's (1979) 'universal dimension' of support for welfare expendi-

tures targeted at various groups of needy people. In a comparison of public opinion data from eight Western European countries Coughlin found as a recurrent pattern over time that the legitimacy of expenditures targeted at the elderly is usually highest among the public, closely followed by the support for expenditures on the sick and disabled, and needy families, while support for unemployment benefits and services is usually (much) lower. His finding points to the existence of rather fundamental deservingness criteria that are applied by people when solving problems of distributing scarce resources in a welfare context. De Swaan (1988) has referred to three criteria that people have used in the course of time to distinguish the deserving from the dangerous poor: disability (capable vs. incapable), residence (resident vs. alien), and docility (law abiding vs. rebellious). Van Oorschot (2000) refers to criteria as the degree to which needy people are seen as having (had) an influence on their being needy, their identity as closer to 'us' or to 'them', and the degree to which they have 'earned' support in previous times. On grounds of these criteria one can imagine why it is that the 'unable' meet more solidarity than the unemployed, and that immigrants meet least. Being old, sick and disabled are usually seen as outside people's control. There is usually more doubt about the inevitability of unemployment, and immigration is usually seen as driven by personal preferences and choice (except in case of refugees). The elderly, sick and disabled are more often seen as belonging to 'us', since we all run these 'risks', while unemployment usually runs in specific segments of a population, and immigrants quite easily and mostly are seen as a 'them'-group. Especially elderly people are seen as having earned support after having contributed to society in their working lives, while former contribution to society is more questionable in case of some groups of unemployed people (notably the younger age groups), and immigrants as 'newcomers' are usually seen as not having earned anything at all yet.

Figure 10.4 gives us some information on the validity of the substitution and the communicating vessels hypotheses. The substitution hypothesis predicts that where state organized and enforced formal solidarity is strongest informal solidarity among the public at large will be relatively weak, and vice versa. Taking welfare state type as a proxy for the degree of formal, state organized solidarity, one would expect lower levels of informal solidarity in the more extended Scandinavian, than in the less extended Anglo-Saxon and the less developed Southern European welfare states. The Continental, conservative-corporatist welfare states would take up a position in the middle. The communicating vessels hypothesis leads to predictions in the opposite direction, i.e., higher levels of informal solidarity in the Scandinavian type, lowest levels in the An-

glo-Saxon and Southern European types and a position in between for the Continental welfare states.

Unable: $\eta^2 = .723$; $F = 4.022$; $p = .037$.

Unemployed: $\eta^2 = .678$; $F = 3.126$; $p = .070$.

Immigrants: $\eta^2 = .550$; $F = 1.591$; $p = .247$.

Figure 10.4 Means per type on concern with the unable, the unemployed, and immigrants

Figure 10.4 shows little evidence in favor of any one of these expected rank orderings. Although there is some slight support for the substitution hypothesis as far as the unable are concerned, and some even slighter support with respect to the unemployed, the support with regard to the immigrants is negligible. What strikes one, however, is that, seen with the naked eye, the differences between welfare state regimes are very small. If one compares figure 10.4 with Figure 10.3 it seems as if the variation in informal solidarity levels within the four types is greater than it is between the four types. Figure 10.5 shows that this is actually the case for most of the solidarity scales in most of the types, which means that welfare state type is not an adequate variable to explain differences in informal solidarity at the aggregate level.

As could be expected on grounds of the previous findings an additional cluster analysis on the three scales of informal solidarity revealed that the individual countries do not cluster according to the four types of

welfare state. The Southern European welfare states cluster together, but the cluster also includes Sweden and Ireland. And France appears more similar to Finland than to the other Continental welfare states. In other words, the only indication we find is that welfare state regime types do not correlate with specific levels of informal solidarity in society, whether such solidarity concerns the needy groups of the unable, the unemployed or the immigrants.

Figure 10.5 Variances in informal solidarity within and between welfare state types

As mentioned before, the extent of formal welfare statism can alternatively be indicated, not by regime type, but by welfare state effort, measured by the total of a country's social expenditure as a percentage of GDP. Table 10.1 shows that, using this indicator, there is a negative correlation between the level of welfare state effort and the level of informal solidarity. This relation is statistically significant in case of solidarity with the groups of unable and unemployed people, but it is hardly so concerning the group of immigrants. Since there are clear differences in solidarity with immigrants between countries (as is shown in Figure 10.3), other factors than welfare statism probably play a role. Because there are only 15 countries in our analysis it is not possible to analyze the relative effect of a number of likely candidates, such as the percentage of immigrants among the population of a country, the degree of

ethnocentrism in the population at large, the average level of education et cetera.

Table 10.1 Correlations (Pearson) between welfare state effort and informal solidarity with the unable, unemployed, and immigrants

	Unable	Unemployed	Immigrants
Welfare state effort			
Total expenditure on social protection as % of GDP, average 1990-1998	-.59	-.60	-.32
p =	.010	.009	.122
N =	15	15	15

However, the basic message from Table 10.1 is that it yields evidence for the validity of the substitution hypothesis: countries that spend a higher percentage of their wealth on social programs show lower overall degrees of informal solidarity with needy groups as the unable (elderly, sick, and disabled people), the immigrants, and the unemployed. The question of why this is so, is of course interesting, but not easily answered. Is it the case that the welfare state corrupts more or less directly people's feelings of compassion with the needy? Does social spending carry the implicit message that people do not have to worry about others, because this responsibility is well taken care of by the state? Or, are the correlations observed in Table 10.1 spurious and the result of the interplay between social spending and the socio-economic and demographic composition of a country's population? Unfortunately, again the small number of 15 countries makes it impossible to elaborate our analysis of such questions at the aggregate level. Maybe one could say at this stage—because the correlation between welfare effort and the solidarity with immigrants is hardly statistically significant, while the correlations with solidarity with the groups of unable and unemployed are—that the underlying mechanism might be more a matter of 'crowding out', than of 'moral corruption'. The latter would expectedly lead to negative feelings of solidarity towards all kinds of others, and maybe notably towards foreigners, while the first would particularly lead to less informal solidarity with those groups the welfare state spends most money on.

Civic morality

The level of civic morality, measured as a combination of people's view on the degree to which they find avoiding taxes, accepting bribes and benefit from fraud justified, clearly differs between European countries, as is shown in Figure 10.6. Greece, Belgium and France are the coun-

tries were people are most lenient towards deviancy from norms regulating public life and concerning taxes, benefits and bribes. Italy, Ireland and Denmark display the highest level of strict moral standards.

Eta: .223; $F = 53.266$; $p = .000$.

Figure 10.6 Country means on civic morality

Figure 10.6 does not show a clear pattern, regarding a North-South divide, richer or poorer countries, Catholic or non-Catholic countries, and the like. Figure 10.7 shows that the level of civic morality seems to differ between welfare state types, but there is no evidence that supports either the substitution hypothesis, or the communicating vessels hypothesis. The former hypothesis implies that civic morality will be lowest in Scandinavian, followed by Continental welfare states, and then the other two, whereas the latter hypothesis predicts that it would be the other way round. Furthermore, around the average level of civic morality within the four types there is much individual country variation. Additional analysis showed that the within variance in the Southern European, Continental and Scandinavian types is larger than the variance between the types.

An additional cluster analysis corroborated the finding that a clear pattern is lacking. The most lenient countries, France, Belgium, and Greece, cluster together and can be distinguished from the more strict

societies, who are in two other clusters. But these lenient societies represent different welfare state regimes, while the same is true for the countries in the two other clusters. In other words, the clustering of countries according to the level of civic morality does not resemble the clustering of countries according to types of welfare state.

Figure 10.7 Means on civic morality per welfare type

The alternative measure of the extent of formal welfare state provision, by welfare state effort in terms of social expenditure as a percentage of GDP, does not show any relationship with civic morality either. The Pearson correlation between welfare state effort and civic morality is .093 with $p = .370$.

Social capital

Social capital, measured as a composite variable of trust in other people and in state institutions, as well as of actively participating in voluntary associations and social networks, varies considerably between European countries. Figure 10.8 shows a North-South divide, and consists of a distinction between the high-level social capital Nordic countries, and the low-level social capital countries of Portugal, Spain, Italy, and Greece. The other European countries have average levels of social capital, with the exception of the Netherlands, which links up with the Scandinavian

countries, and France, which links up with the Latin countries of the south of Europe.

Eta = .435; F = 164.528; p = .000.

Figure 10.8 Country means on social capital

These findings suggest that there are differences in social capital between welfare state types. The levels of social capital are the lowest in the Southern European regime type, more or less average in the Anglo-Saxon and Continental types, and highest in the Scandinavian type. This is precisely what Figure 10.9 shows, which means that there seems to be some evidence for the communicating vessels hypothesis about the relationship between the extent of formal welfare provision and social capital. But this evidence is not final, because of the exceptions of the Netherlands and France. Institutionally these Continental, insurance based welfare states, which both also have national minimum assistance schemes and large occupational social security provision especially in the field of pensions, differ in important respects from their Nordic, respectively Latin counterparts.

The question therefore is, whether a communicating vessels mechanism would find its source in welfare state institutional differences, or in sheer extent of welfare effort, regardless of how social provisions are actually designed. It seems that there is more truth in the latter, than in the former, since we found that the Pearson correlation between social capi-

tal and welfare state effort in terms of a country's social expenditure as a percentage of GDP is high ($r = 0,81$), and significant ($p = .000$). This relation is pictured in Figure 10.10.

Figure 10.9 Mean level of social capital per welfare state type

However, as in the case of welfare state effort's (negative) effect on informal solidarity, the question remains through what mechanisms relative welfare state expenditure is positively correlated with social capital. It may be that social spending creates extra opportunities for people to participate in voluntary organizations, clubs and networks, and the fact that government institutions take well care of citizens might increase trust in institutions. But at this stage it is not totally excluded that the correlation found is influenced also by other, perhaps cultural factors, which may relate to the more family centered culture of the Latin European countries, and the more individualized, and therefore socially more open countries of the north of Europe. Clearly, multivariate analyses would on principle give us the opportunity to test alternative hypotheses in this respect, but the number of cases is again too small.

Figure 10.10 Country means on social capital and expenditure on social protection as % of GDP

The correlation of social capital with civic morality and informal solidarity

Having assessed the effects of welfare state type and welfare state effort on civic morality, informal solidarity and social capital, we now turn to the effects of social capital on civic morality and informal solidarity. Table 10.2 shows that there is no correlation between the average level of social capital among a country's population and its degree of civic morality and solidarity with immigrants. Furthermore, it seems, when looking at the simple correlations, that average social capital has a negative effect on the average solidarity with the unable and the unemployed. However, holding constant for welfare state effort in terms of total social expenditure as a percentage of GDP, the effects disappear. This implies that the simple correlations are spurious, i.e., the result of the fact that welfare state effort has a positive effect upon social capital (as we have just seen) and a negative effect upon a country's average solidarity towards the unable and the unemployed (as we have also seen above).

Table 10.2 (Partial) correlations (Pearson) of social capital with informal solidarity and civic morality (aggregate level)

	Civic morality	Unabled	Unemployed	Immigrants
Social capital	.180	-.488**	-.647***	-.162
Social capital with 'welfare effort' constant	.436*	-.032	-.345	.174

* $p < .1$, ** $p < .05$, *** $p < .01$.

Overall conclusion

Two things are quite clear: firstly, neither the communicating vessels nor the substitution hypotheses pass the empirical test at the aggregate level with flying colors; secondly, the empirical analyses at this level produce highly confusing results. As far as the presumed direct effects are concerned the proponents of the substitution hypothesis can at least boast of some slight evidence in favor of their hypothesis as far as solidarity is concerned, whereas the proponents of the communicating vessels hypothesis stand empty handed in this respect. Both hypotheses failed in explaining cross-national differences in civic morality. Welfare state type can be better replaced by welfare state effort as an independent variable if one wants to explain solidarity, whereas welfare state type seems to be a satisfactory variable if one wants to explain cross-national differences in morality. Although the impact of welfare state type is, however, neither in accordance with the substitution nor with the communicating vessels hypothesis.

With regard to the expected indirect effects, the communicating vessels hypothesis was corroborated as far as the influence of welfare state regime and welfare effort on aggregate social capital was concerned, whereas the substitution hypothesis was falsified. Both hypotheses predicted that there would be a positive correlation between the average amount of social capital in a country and civic morality on the one hand and informal solidarity on the other. The impact on morality was indeed positive, but not statistically significant. Controlled for welfare state effort the sign of the coefficient stayed positive and became statistically significant ($p = .060$). The impact on the three forms of solidarity with the needy was, however, negative and in two cases statistically significant. Controlled for welfare state effort the sign for two of the cases stayed negative, but were no longer statistically significant, whereas the third form became positive, however, still not statistically significant.

Because of these rather confusing results it is high time to change the level of analysis. After all it is individuals and not countries or welfare

state types who think and act solidarily, who have a sense of civic morality, who have informal ties with other people, and who trust institutions and generalized others.

5.2 *Individual level analyses*

In Table 10.3 some results of the individual level multi-variate analyses we executed are reproduced. The dependent variables are individuals' solidarity with the unabled, the unemployed and the immigrants, and their sense of civic morality, respectively. The independent variables are both individual and context level characteristics. In the last but one row of the table we rendered the explained variance of both individual level and context level characteristics and in the last row of the table the proportion of increased explained variance of this model compared to a model with only individual level characteristics as independent variables. In all cases the individual-cum-context characteristics model added a significant proportion of explained variance to the individual characteristics model. This means that people's solidarity with needy others and their sense of civic morality is not only a matter of personal values, beliefs and interests, but also shaped by the wider cultural and institutional settings that they live in. There are, however, differences with respect to the relative impact of context and individual characteristics on each of the dependent variables. Context characteristics (.029) explain solidarity with the immigrants to a much lesser degree than individual characteristics (.090) do. The same applies to civic morality (.038 vs. .073). In the case of solidarity with the unabled the proportions explained variance by individual and context variables are more or less equal (.054 vs. .056). Context variables explain solidarity with the unemployed to a higher degree (.073) than individual characteristics (.057).

In the other rows of Table 10.3 only the factors that have a statistically significant impact ($p < .01$) on the dependent variables are included. The cells that we have left in blank contain 'hidden' coefficients that are not statistically significant. The cells with an x in it refer to variables that are included in some of the rows (analyses), but not in these ones.

Informal solidarity

Firstly, within the set of individual characteristics a common pattern is found that solidarity is higher among those who have a higher level of social capital, i.e., those who have more trust in other people and in institutions, and who participate more actively in informal social networks and voluntary organizations. This kind of pro-social attitudes and beha-

avior tends to go hand in hand with stronger feelings of solidarity with needy groups, irrespective of the character of the group.

Table 10.3 Regression of individual and context level characteristics on informal solidarity and civic morality

	Unabled		Unemployed		Immigrants		Civic morality	
	B	Beta	B	Beta	B	Beta	B	Beta
(Constant)	3.545		9.852		2.973		3.427	
<i>Personal characteristics</i>								
Age	.007	.135	.008	.133	.003	.050	.012	.189
Income								
Educational level					.010	.060		
Catholic								
Church attendance	.031	.086	.034	.081	.004	.098	.034	.080
Political preference	-.017	-.039	-.056	-.113	-.079	-.154	-.018	-.036
Social capital	.045	.053	.076	.075	.131	.127	.037	.038
Unemployed	x	x	.308	.063	x	x	x	x
Ethno-centrism	x	x	x	x	-.143	-.168	x	x
Negative view on others	x	x	x	x	x	x	-.294	-.160
<i>Context characteristics</i>								
Old age ben. exp.	-.0004	-.117	x	x	x	x	x	x
Disability ben. exp.	-.001	-.115	x	x	x	x	x	x
Sickness ben. exp.			x	x	x	x	x	x
Unemployment ben. exp.	x	x	.001	.167	x	x	x	x
Unemployment rate 1998	x	x	-.008	-.272	x	x	x	x
Percentage immigrants	x	x	x	x	-3.610	-.093	x	x
Mean ethno-centrism	x	x	x	x			x	x
Mean negative view on others	x	x	x	x	x	x	1.426	.270
Corruption level	x	x	x	x	x	x	-.110	-.190
Welfare effort			-.089	-.312	-.032	-.112	-.034	-.124
Mean age	-.060	-.075	-.098	-.104			-.046	-.050
Mean income	.152	.127	-.424	-.303	-.122	-.086	-.165	-.120
Mean educational level	.056	.146	.157	.349	.039	.087		
Mean political stand	.255	.080					-.497	-.132
Catholic* church attendance	-.0004	-.084	.0005	.096	.0008	.138	.0006	.107
Mean social cap.	-.786	-.415	-.653	-.295			.646	.299
R ²	.110		.130		.119		.111	
R ² change vs. individual level	.056		.073		.029		.038	
model								

Notes: * all coefficients significant at $p < .01$; x = variables not included in regression.

Secondly, older people as a rule tend to have stronger solidaristic feelings towards needy groups. It is not certain whether in the European societies that we analyzed the age-effect really is a matter of life cycle, which would mean that, when people get older, they become more solidaristic, e.g., because they have learned over their lives that fate or bad luck can knock on every one's door, or because older age brings the future risk of personal neediness more closely to the mind. It is also possible that the age-effect observed actually is a cohort-effect, or a generation effect, which could mean that the correlation between age and informal solidarity would change once the present cohorts and generations will become older. But, both would also mean that all the cohorts or generations in all of the 15 countries in our analysis would have experienced highly similar events during their life courses. This might be too strong an assumption, which would favor the idea that the age-effect found is a genuine life cycle effect (growing older). Regrettably, on the basis of our cross-sectional data it is not possible to definitely test the specific character of the age-effect.

Thirdly, informal solidarity is higher the more to the left an individual's political orientation. This finding is in line with many other studies on the relation between this characteristic of people and their opinions on welfare state issues: people on the political left usually are more supportive towards welfare state arrangements and expenditures, than people on the right (Whiteley, 1981; Taylor-Gooby, 1983; Svallfors, 1997; Forma, 1999; Van Oorschot, 2000, 2002), and in our analysis they also show to be more solidaristic towards needy groups. Obviously, the left's orientation towards social equality and social responsibility versus the right's focus on individual interest and responsibility is to a certain degree mirrored in people's degree of solidarity.

A fourth and final basic individual characteristic related to solidarity is church attendance. People who attend church more frequently have a stronger solidaristic attitude towards needy groups. As Table 10.3 shows, this relation does not depend on the answer to the question of whether people are Catholic or not, which means that it is present among all denominations. And it is also independent of age, which is significant, since usually church attendance is higher among the older age-cohorts. Since the overwhelming majority of our sample is either Catholic or Protestant, the relation found may be based on a Christian moral of compassion which, by assumption, is higher among churchgoers who are often taught to have compassion with the needy during mass or service, than among others.

Next to the basic personal characteristics we just discussed, Table 10.3 shows a number of influences that are specific for the type of needy

group concerned. Not surprisingly we find that unemployed people have a higher degree of concern towards the group of unemployed people, and people that are more ethnocentric (i.e., less favor people from other ethnic background as neighbors) are less solidaristic towards immigrants. Furthermore, and interestingly, educational level does not affect solidarity towards the unabled and the unemployed, but it does have a positive effect on solidarity towards immigrants. This might indicate that people with a lower educational level lack a more abstract, more extended (but maybe less intense) solidarity with generalized others that is usually conveyed through education. Since the elderly, the sick, the disabled and the unemployed are less abstract others in our society, this interpretation might also explain why educational level has no influence on the solidarity towards these groups. Interesting is also that income has no effect on informal solidarity. It is sometimes found in opinion surveys that higher income people are less supportive of welfare state arrangements, probably because they perceive welfare as less in their personal interest (Pettersen, 2001; Taylor-Gooby, 2001). In any case, our findings suggest that their possible anti-welfare sentiment is not based on a lesser degree of informal solidarity towards needy groups.

Among the set of contextual variables there is one variable that is more basic, in the sense that it plays a similar role in people's solidarity towards all three groups. This is a population's average educational level: the higher this level is, the more solidaristic individuals are towards needy groups. In other words, in a higher educated population, people of all educational levels are more solidaristic than in less educated populations. We have seen that an individual's level of education only influences solidarity towards immigrants, and not the solidarity towards the groups of unabled and unemployed people. This implies that the positive effect of education works in two ways: directly at the individual level and as a 'spin off' of a higher collective educational level – compared to its effect on the solidarity with unabled and unemployed people. If the basic mechanism is that education conveys a broader solidarity with generalized others, than living in a context in which such solidarity is more prominently present (e.g., as exposed through the media) all people will be influenced by it, more or less to the same degree.

All other contextual variables differ in their influence on the solidarity towards the three needy groups, either by the degree of their influence, or their direction. However, overlooking the whole there seems to be evidence for the 'substitution effect' hypothesis. This hypothesis most generally says that feelings of informal solidarity will be lower, if people live in a social context in which there is more formally organized solidarity, i.e., where needs of groups that are the object of solidarity are more

and better cared for by formal institutions and organizations in society. 'No need to be personally concerned about those people, since society (or the state) takes care of them (...)', might be seen as the core attitude of people towards needy groups under the substitution hypothesis. The evidence we find in Table 10.3 for such an attitude regards the facts that:

- informal solidarity is lower among people in countries that spend higher proportions of GDP on welfare: in case of solidarity with unabled people it is expenditure on old age and disability benefits which negatively influences solidarity, and not welfare effort itself, which can be explained by the fact that in most welfare states the largest proportion of welfare spending consists of pensions;
- in poorer countries informal solidarity towards the elderly is lower and informal solidarity towards the unemployed and immigrants is higher, than in richer countries: this fits the substitution hypothesis if one recognizes that usually in welfare states benefits and provisions for the elderly and disabled are on a higher level and more universally available than those for unemployed people and immigrants, which means that in poorer countries people will be relatively less solidaristic towards the elderly and disabled and relatively more towards the unemployed and immigrants, than in richer countries;
- in countries with a high average level of social capital informal solidarity towards unabled and unemployed people is higher, than in countries with a low average level of social capital among their populations: this fits the substitution hypothesis under the assumption that a high level of social capital in a society conveys a general message, and creates a general feeling, that needy groups in society are well taken care of by the work of active citizens in institutions, organizations, clubs and networks in civil society. The high trust in institutions, which is also a part of social capital, also means that one relies on their effective role in social care for needy groups. The fact that average social capital has no negative effect on solidarity towards immigrants might in this line of reasoning be explained by the fact that there are no traditional civil society institutions or networks that have been directed at immigrants, since in the Western societies we analyze here this group has only recently come to the fore as a problematic and needy social group.

Clearly, such substitution effects indicate that crowding out, rather than moral corruption is the basic mechanism which underlies them.

Inspection of Table 10.3 additionally leads to the conclusion that there might be something like a 'national burden effect'. Such an effect

implies that informal solidarity is on average lower, if the needy group that is the subject of solidarity is relatively larger. In such cases, informal solidarity might be tempered by a recognition of, or at least an uneasy feeling about the costs that could be involved when meeting the needs. The findings that fit this interpretation are that:

- the informal solidarity with unemployed is lower in countries with a high unemployment rate, than in countries with less unemployment;
- informal solidarity towards immigrants is lower in countries with higher percentages of immigrants;
- informal solidarity with unable people is lower in countries with an older population.

Special discussion is needed for the remaining effects of individual variables. One that needs attention is the positive effect of a country's unemployment benefit expenditure on the informal solidarity towards unemployed people. This is contrary to the negative effect that expenditure on old age and disability benefits has on solidarity towards unable, and thus seems to refute the substitution hypothesis. However, there is a difference in the character of the needy groups involved. Since the proportions of older, sick and disabled people in a society are relatively constant over a certain time period, the relative degree of spending on old age and disability is for the largest part an indicator of the universality and generosity of such benefits. That is, of the level and adequacy of formally organized solidarity. The higher this is, says the substitution hypothesis, the lower informal solidarity among the population. Unemployment, on the contrary, tends to fluctuate substantially, which means that spending on unemployment benefits is more dependent on such fluctuations, than it is on benefit universality and generosity. Since our benefit expenditure figures are averages over a period of 10 years a higher unemployment benefit expenditure figure therefore indicates higher average unemployment rates over that period, rather than a higher level and a more adequate form of formal solidarity. For this reason, no clear substitution effect would be expected. However, the positive relation between unemployment benefit expenditure and informal solidarity towards the unemployed is also at odds with the national burden effect, which would imply that informal solidarity on average will be lower if the needy group concerned is relatively larger. For the moment we have no clear solution for this interpretation problem, but it could be that people's uneasy feelings about the size of needy groups are based more strongly on actual situations, rather than on averages or developments over time. If this is true, then we have a second argument for explaining

why the relationship at issue is not negative. But the question would remain why the relation is positive, and not non-existent.

As for the average political stance of a country's population, Table 10.3 shows that in more rightist countries informal solidarity with unabled people is higher, than in more leftist countries. But political orientation has no effect on the informal solidarity towards unemployed people and immigrants. A possible explanation for this could be that in a rightist culture more emphasis is put on deservingness criteria on which unabled people, notable pensioners, usually score (much) higher, than other needy groups. Such criteria are control, reciprocity and identity, i.e., the criteria that one cannot be blamed for one's neediness, that one has to 'earn' solidarity on the basis of (former) contribution to society, and that one has to belong to 'us'. This would not necessarily mean that unemployed people and immigrants in a rightist culture would be seen on average as clearly less deserving than they would in a leftist culture.

Civic morality

As far as the variation in the strictness of people's moral standards is concerned, it appears that, if we only look for the time being at individual characteristics as explanatory variables, this variation is to a large extent determined by age. Older people are generally speaking stricter than younger people. This finding can, as before, either be interpreted as a life cycle or as a cohort effect. Does it mean that people become sadder and wiser as they grow older? Or can this finding be understood as a product of the differences in the settings in which the younger and older people of today have been raised and socialized? Today's young people certainly have been raised and socialized in more modern, affluent settings than older people. And since affluent settings are generally regarded as fostering an individualist ethos and more or less libertarian opinions (Yankelovich, 1994), the cohort effect thesis could be true.

Level of education does not add significantly to the explanation of differences in levels of civic morality, which is not in accordance with the results obtained in other studies. Higher levels of education generally produce morally progressive viewpoints and generate more acceptance of looser moral behavior linked e.g., to sexual matters (Harding, Phillips & Fogarty, 1986; Halman, 1995). The reason why people with different levels of education do not differ in their levels of civic morality here can probably be attributed to the peculiar kinds of financial and economic acts and behavior that are evaluated in our measure of civic morality. They concern benefit fraud, tax fraud, tax evasion and bribing.

Catholics are not more or less strict or lenient compared with people of other denominations, and this is rather remarkable because it is often

assumed that, because of the hierarchical structure and the dogmatic culture of Catholicism, Catholics are less affected by the processes of individualization and secularization, which usually lead to a more lenient and permissive morality (Wilson, 1997). Apparently, not so much the Catholic faith or the Catholic church institution in themselves matter, but the degree to which people of all denominations practice their religion. That is, we find that frequent church attendance is positively correlated with people's level of civic morality. Church attending people are less inclined to accept the deviant behavior included in our measure of civic morality. Churchgoers probably are more apt to be under the guidance of the churches. While in contrast, people who do not attend religious services, are assumed to be more inclined to favor an ethical individualism, which makes that not God but the individual is the ultimate authority in moral decisions and behavior (Crittenden, 1992). This seems to be reflected in a more lenient morality.

The results of our analyses are in line with the usual expectations about differences in moral outlook of people on the political left and on the political right. A right wing political stance is commonly associated with conservative, traditional standpoints and people on the political right are seen as proponents of authority, order, in favor of maintaining the status quo and a restrictive moral community. People on the left, however, are regarded to be more progressive, more solidary with the poor and deprived, in favor of a just distribution of income and wealth and in moral issues more open-minded (see Halman & Heinen, 1996). The analyses do not corroborate such suggestions, most probably because of the specific forms of deviant behavior mentioned in our measure of civic morality, which all focus on an individual's relation with the state as a tax collecting and income redistributing entity. It could be argued that rightist people have stronger negative feelings towards the redistributing state, than leftist people, that they emphasize personal freedom and autonomy in the socio-economic domain more, and that this might explain that they disapprove less of tax cheating, tax avoiding and bribing.

As for social capital and trust, it is generally believed that they refrain people from pursuing sheer self-interest and pure egoism. Social capital is believed to stimulate moral behavior and that it provides the 'glue that bind people together in the absence of enforceable contracts policed by external agents' (Uslaner, 1999: 216). Being embedded in social groups more strongly and having stronger group attachments, might make group members more likely to have higher levels of civic morality, because it can be assumed that within a more cohesive collectivity there is stronger acceptance of rules of trustworthiness and a stronger rejection of free-

riding and improper behavior. As such social capital can be considered a moral resource (Putnam, 1993). Our analyses provide evidence for these arguments both at the individual and aggregate level: not only people with more social capital appear stricter, also societies that are richer on social capital disapprove more strongly of fraud and bribing.

Remarkable at first sight seems our finding that people who have strong negative views on the moral behavior of their fellow-citizens, i.e. who perceive more strongly that cheating on taxes and benefits, fraud and bribing are wide spread, have a less strict civic morality. That is, they are more lenient towards such behavior. However, this could be understood as, maybe a fatalistic, adjustment of individual people's orientations to perceived circumstances, as an adjustment of morals to perceived practices. Individual people might adapt to a situation in which they think that cheating, fraud and bribing is more or less 'the standard'.

However, at the aggregate level things are different. In societies where it is generally believed that tax and benefit cheating, fraud and bribing is wide spread, the collective reaction seems to be a more strict civic morality towards these kinds of behavior. There is a clear difference in the relation between the public's perception of deviant behavior and civic morality, compared to the relation between the corruption perception by businessmen and civic morality. Where the first is positive, as we have just seen, the latter is negative. That is, in countries where businessmen see much corruption civic morality is more lenient.

As for welfare state effort, Table 10.3 shows a negative effect on civic morality. Since our measure of civic morality focuses on people's moral behavior towards the state as a tax collecting and welfare redistributing entity, the relation might indicate that high spending, and thus high taxing welfare states arouse a moral counter reaction, in the sense that people become less averse of cheating on taxes and benefits. This would be proof of a 'moral corruption' effect.

Our finding that civic morality is lower in countries with a more rightist population can be understood on grounds of our previously discussed finding that rightist individuals are less strict towards tax cheating and bribing. But such a direct relation is not present in case of age, income and educational level. At the individual level we find that older people are stricter, but at the aggregate level we find that people living in older populations are less strict. At the individual level we find no relation between income and civic morality, but people in richer societies are less strict. And, at the individual level we find no relation between educational level and morality, but at the aggregate level we see that people in a higher educated society are less strict. We do not see immediate explanations here, but it seems that mean age, mean income and

mean educational level are indicative of a latent, underlying factor that has to do with a country's complex of demographic, socio-economic and cultural development.

6 Conclusions

In this chapter we have examined two hypotheses on welfare state dynamics: the *substitution hypothesis*, advanced by welfare state pessimists, and the *communicating vessels hypothesis*, defended by welfare state optimists. The former hypothesis predicted an ongoing erosion of social capital, informal solidarity and civic morality as a result of the social structures and culture created by the welfare state. The latter one predicted that the institutional matrix of the welfare state would stimulate people to invest in social capital and would offer incentives for informal solidarity and civic morality. We have tried to test both hypotheses as thoroughly as possible by using EVS data. One of the problems we encountered was, however, that although the EVS survey was fielded in three waves (1981, 1990, 1999), we could only use data from the 1999 wave, because the earlier waves did not include all the information we needed. This was a severe draw back. The competing hypotheses refer to processes in time – welfare state and public opinion dynamics – and all we can do is cross-sectional analyses. We decided to persevere, however, considering that a bird in the hand is worth two in the bush.

We will first reiterate the results of the aggregate level analyses and then proceed with the outcomes of the individual level ones. Striking was first of all how small the observed between countries variation of average levels of informal solidarity and civic morality was. There seems to be, at least in this respect, more unity than diversity discernible in Western Europe. As far as variation between welfare states could be observed, the grouping together of these states in regime types did not explain this variation satisfactorily. If welfare states come in types, as many students of the welfare state assume, the hypothetical clustering predicted in the literature is not discernible from our aggregate analyses. Between types variation was most of the time smaller than within type variation. Whether this is a result of the blurring of regime types and the proliferation of hybrids in the last few decades, as Goodin and Rein (2001) assume, is impossible to establish empirically because we have no satisfactory time-series data at our disposal to test this idea. What is interesting, however, is that there is a high positive correlation between a country's level of expenditure on social protection and the amount of social capital. So, the degree of extensiveness and intensity of a welfare state seems to determine the amount of social capital. 'Seems', because

we do not know what came first. Does welfare state development stimulate the building up of social capital, or is it the other way round?

Neither the substitution nor the communicating vessels hypothesis was convincingly corroborated or falsified by our aggregate level analyses. Although the communicating vessels hypothesis stood its ground fairly well as far as the relation with social capital was concerned, the direct and indirect relations with informal solidarity and civic morality were more complex. The findings of the aggregate analyses were, as far as informal solidarity was concerned, to at least some degree in accordance with the substitution hypothesis, but these findings were at variance with the predictions about social capital and civic morality. One could argue therefore that the empirical competition between both hypotheses resulted in a draw, but a more reasonable interpretation of the aggregate findings is that they resulted in confusion.

It would be naïve to suppose that people's attitudes about informal solidarity and civic morality are entirely determined by the welfare state regime or the welfare effort of the country that they live in. Research findings (Arts & Gelissen, 2001) make it immediately apparent that informal solidarity and civic morality will not be completely determined by contextual factors. If that were the case, we would find a nearly general consensus on issues of informal solidarity and civic morality within welfare states. We did presume, however, that there would be systematic variance at the individual level not only caused by contextual factors, but also by people's situational location and their cultural belongingness, i.e., individual characteristics. What were the results of the individual level analyses?

As expected, such characteristics played an important part in explaining informal solidarity and civic morality at the individual level. The impact of individual characteristics was greater than that of context characteristics in case of civic morality and informal solidarity with immigrants, smaller with respect to solidarity with the unemployed and more or less equal with regard to solidarity with the unable. As far as the direct effects of welfare effort are concerned, the results of the individual level analyses, controlled for the individual characteristics, sooner corroborated the substitution hypothesis than the communicating vessels hypothesis. The more affluent a country is and the higher its welfare effort the lower the informal solidarity of its inhabitants towards the unemployed and the immigrants and the lower their civic morality.

As far as the indirect efforts are concerned, both hypotheses predicted a positive effect of the average amount of social capital in a country on both informal solidarity and civic morality. The hypotheses hold only true with respect to civic morality and not with regard to informal soli-

darity. As an individual characteristic, however, social capital is positively correlated with both informal solidarity and civic morality. This means that social capital has the predicted effect on the individual level, but only to a certain extent at the country level.

Next to this, some general patterns were found of individual and of country characteristics influencing positively people's informal solidarity with unabled people, unemployed people and immigrants alike, as well as their degree of civic morality. At the individual level, we found that older people, leftist people and people who attend church frequently are usually more concerned with the living conditions of needy groups and have a higher civic morality, than their counterparts. Regarding contextual factors we found evidence for the existence of a 'national burden' effect, which implies that informal solidarity towards a needy group is tempered if this group is relatively larger. Informal solidarity towards all needy groups is higher, however, in countries with a higher educated population.

All in all, our findings indicate that high welfare spending is related to high aggregate levels of social capital, and that it tends to have a negative effect on people's informal solidarity towards the groups that are cared for by the welfare state and its institutions. The latter not as a result of some form of moral corruption brought about by the welfare state, but as a crowding out effect: '(...) no need to worry about needy people, since the state takes well care of them (...)' seems to be the core attitudinal reaction to a well developed welfare system. However, the relations analyzed here have shown to be more complex than either welfare state optimist or pessimist assumed. There seems to be more between their sweeping statements and our empirical findings than dreamed of in their philosophies.

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