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# Self-regarding and other-regarding attitudes: The role of contextual inequality

Marii Paskov



**SELF-REGARDING AND  
OTHER-REGARDING ATTITUDES:**  
The role of contextual inequality

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# **SELF-REGARDING AND OTHER-REGARDING ATTITUDES:** The role of contextual inequality

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door

**Marii Paskov**

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Marii Paskov

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# Chapter 1. **Introduction**

### **1.1. Studying the role of societal context for attitudinal outcomes**

One of the fundamental questions of contemporary Western societies is: how does societal context affect people's attitudes and behavior? Perhaps the most widely discussed topic in the last decade has been the variation among affluent countries in terms of contextual inequality – a concept referring to societal conditions that determine or reflect the distribution and access to life chances within a society (Esping-Andersen, 1990; Wilkinson and Pickett, 2010). Distributional inequality, in particular, has received considerable attention both in terms of rising levels of income inequality within countries and stark differences between countries in the level of income inequality (Atkinson and Piketty, 2007; Nolan, Salverda, Checchi, Marx, McKnight, Tóth, and Van de Werfhorst, 2014; OECD, 2009; OECD, 2011; Piketty, 2014; Salverda, Nolan, Checchi, Marx, McKnight, Tóth, and Van de Werfhorst, 2014). Contextual inequality is also reflected in terms of institutional factors – welfare state effort arguably has a profound impact on the extent and nature of inequalities and their social significance (Nolan et al., 2014; Piketty, 2014; Salverda et al., 2014). By shaping the redistribution of resources in a society (Van Ingen and Van der Meer, 2011) welfare state effort is an important element in indicating society's level of inequality. Additionally, welfare effort differs substantially between countries and over time (Caminada, Goudswaard, and Van Vliet, 2010; Esping-Andersen, 1990; Marx and Van Rie, 2014; Swank, 2005). Overall, societal arrangements characterized by greater economic equality and increased governmental welfare effort to protect the citizens are seen as more egalitarian, while arrangements marked by higher levels of economic disparities and decreased governmental effort to provide social security are seen as more inegalitarian.

Against the backdrop of an increasing focus on variations in contextual inequality, the potential consequences of egalitarian and inegalitarian societal contexts for individuals and societies in general have caused elevated concern (Neckerman and Torche, 2007; Salverda et al., 2014). As a positive consequence it is argued that economic inequality in a society serves some functionality (Davis and Moore, 1945; Simpson, Willer, and Ridgeway, 2012). A certain amount of inequality seems to be 'normal' or 'necessary' in order for the complex division of labor in modern societies to function efficiently (Krueger, 2008; Lenski, 2008). More often, however, contextual inequality is cause for concern because it is morally unjustifiable or because of its harmful consequences for individuals and societies (Roemer, 2009). Recently, the literature raised concerns that increasing inequalities may lead to societies with detrimental societal outcomes (Wilkinson and Pickett, 2010). These concerns have given rise to numerous studies, which have shown evidence that contextual inequality, at least when measured as income inequality, is indeed negatively associated with various societal outcomes, including population health and crime rates (Kawachi, Kennedy, and Wilkinson, 1999; Wilkinson, 2004; Wilkinson and Pickett, 2006). In addition to socio-economic consequences, researchers are increasingly investigating the relationship between contextual inequality and attitudinal outcomes (see Corneo and Neher, 2014; Mau, 2004;



Pryor, 2012). They argue that social structure may shape people's attitudes and preferences, which could in turn influence their behavior (see Corneo and Neher, 2014). Additionally, inegalitarian contexts could pose a threat to social cohesion and promote adverse moral consequences such as more self-orientation and less caring of others (Wilkinson and Pickett, 2010). This idea is not new; Durkheim (1983 [1964]) and Titmuss (1968; 1974) suggested that crude social inequalities and lack of equal opportunity would threaten solidarity.<sup>1</sup> The central goal of this dissertation is to study the relationship between contextual inequality and self-oriented and other-regarding attitudes.

Self-oriented attitudes mean that people aim for personal success, status and prestige, while other-regarding or prosocial values mean that people aim for the welfare of others. According to Lindenberg (2006), from the perspective of social sciences, self-oriented and other-regarding attitudes are among the most important orientations that characterize human beings. The topic of self-regarding and other-regarding attitudes is important; if there is no solidarity then everybody has to take care of themselves (De Beer and Koster, 2009). Self-regarding and other-regarding attitudes are related to many important social behaviors, including support for the welfare state, political preferences, and voting behavior but also volunteering and charity (Gërkhani and Koster, 2012; Jæger, 2006; Schokkaert, 2006; Svallfors, 2012; Van Oorschot, 2002). Throughout history people have been concerned about the conditions that might promote self-oriented attitudes and diminish other-regarding attitudes (Durkheim, 1983 [1964]; Hobbes, 1651 [1996]; Weber, 1968 [1922]). Studying conditions that foster or hinder self-oriented and other-regarding attitudes has both important academic and societal relevance.

While it is generally acknowledged that societal contexts, through economic, sociological and psychosocial dynamics, may foster different consequences for individuals and societies (Neckerman and Torche, 2007; Van de Werfhorst and Salverda, 2012), currently there is insufficient insight into the effects of contextual inequality on individuals' attitudes and preferences. Moreover, even less is known about 'effect heterogeneity', which determines whether there are differences in the association between context and attitudinal outcomes by individuals' own positions in the social hierarchy. These are major substantive research questions that require more investigation, and answers to these questions would be a significant contribution to the field of inequality and attitude research. In this dissertation we will investigate the link between distributional and institutional forms of contextual inequality and the relationship with public attitudes in terms of self-oriented and other-regarding orientations. Furthermore, we ask how these effects vary by an individual's socio-economic status.

---

<sup>1</sup> Although Durkheim also believed that in modern societies some inequality based on individual talents and achievements is justified and necessary, he was particularly concerned about the lack of social justice, inequality of opportunity and restricted social mobility.

In addition to tackling important substantial questions, this dissertation is also timely. The focus of this study is on a time frame ranging from 1999 to 2012, which includes the onset of the 2008 financial crisis as well as increasing pressures from demographic trends and globalization, all of which have had important consequences from the perspective of contextual inequality (Salverda et al., 2014). Considering the observable large variations in contextual inequality, this time period presents a historically unique opportunity to study the effects of contextual inequality. Furthermore, this project can contribute to governmental aims to use empirical evidence as a basis of public policies (OECD, 2011). The current study relies on quantitative analysis using data from international comparative surveys and employing advanced statistical methods.

This dissertation consists of four empirical chapters that can be read independently. However, this introductory chapter provides a basic framework for the chapters that follow. We start by introducing the concept of contextual inequality and present an overview of variations in contextual inequality – in terms of distributional and institutional inequalities – across countries and over time. A more detailed description of self-regarding and other-regarding attitudes follows. After this, we introduce general theoretical mechanisms that could explain the relationship between contextual inequality and attitudinal outcomes, in general. The section on the analytical design includes an introduction to the conceptualization, data and methods relevant for the dissertation. Crucially, issues concerning causality are discussed extensively. This introductory chapter concludes with an overview of the four empirical chapters of the dissertation.

## **1.2. Variations in contextual inequality**

Contextual inequality refers to the division of and access to life chances within a society. In line with the sociological tradition, life chances are here understood as an individual's access to opportunities and resources that are related to socio-economic well-being and living conditions (Weber, 1968 [1922]). Contextual inequality is a characteristic of a societal context and is the same for everyone living in a given area (Neckerman and Torche, 2007). High contextual inequality implies that the distribution of life chances is inequalitarian; low contextual inequality implies that there is a more egalitarian distribution of life chances. Contextual inequality is a multidimensional construct that cannot be captured with one measure only (Goldthorpe, 2010). In this dissertation distributional and institutional expressions of contextual inequality are discussed. Distributional inequality is reflected in terms of income inequality while institutional inequality is indicated by welfare state effort. We acknowledge that many different types of inequality exist, however, in this dissertation we focus on these two dimensions in particular. These two dimensions of contextual inequality are closely related to one another; for example, extensive welfare policies redistribute resources and thereby reduce income inequality (Nolan et al., 2014), or in unequal societies different income groups find it difficult to agree on social expenditure, which might result

in fewer welfare arrangements (Schwabish, Smeeding, and Osberg, 2003). We interpret egalitarian societal contexts as those characterized by greater income equality and more governmental welfare effort to protect citizens, and inegalitarian contexts as those with higher levels of income disparities and weaker governmental support for social security. Next, we discuss variations in income inequality and welfare state effort in greater detail.

### **1.2.1. Income inequality**

Income inequality refers to the distribution of incomes among persons or households, and it is at the core of contextual economic inequality (Salverda, Nolan, and Smeeding, 2009). A great deal of research has focused on the cross-national differences in income inequality (Brandolini and Smeeding, 2009) but also the reversal of the declining trend in income inequality within countries, a social fact that seems to characterize many welfare states in the last three decades (Atkinson and Piketty, 2007). According to the Growing Unequal report (OECD, 2008: 15), this upswing in income inequality is '*widespread and significant, but moderate*'. More recently, Nolan and colleagues (2014) concluded from a large-scale study that although with some variation in timing and magnitude, income inequality has increased in most of the developed world since the 1980s. Explanations for these differences between countries and changes over time have focused on large-scale trends on different levels, such as technological change, globalization and the internationalization of market economies, flexibilization of labor markets (which might or might not follow from the pressures of globalization), the declining impact of unions, welfare state restructuring, and changes in household size and structure (Atkinson, Piketty, and Saez, 2011). These factors are supposed to affect either the relative sizes of population groups with a lower and higher wage or (household) income – which makes for a 'compositional' effect – or the relative earnings received by these groups, and more specifically the high- and the low-skilled, in return for their labor (for overviews, see Alderson & Nielsen, 2002; Atkinson, 2008; Neckerman & Torche, 2007).

### **1.2.2. Welfare state effort**

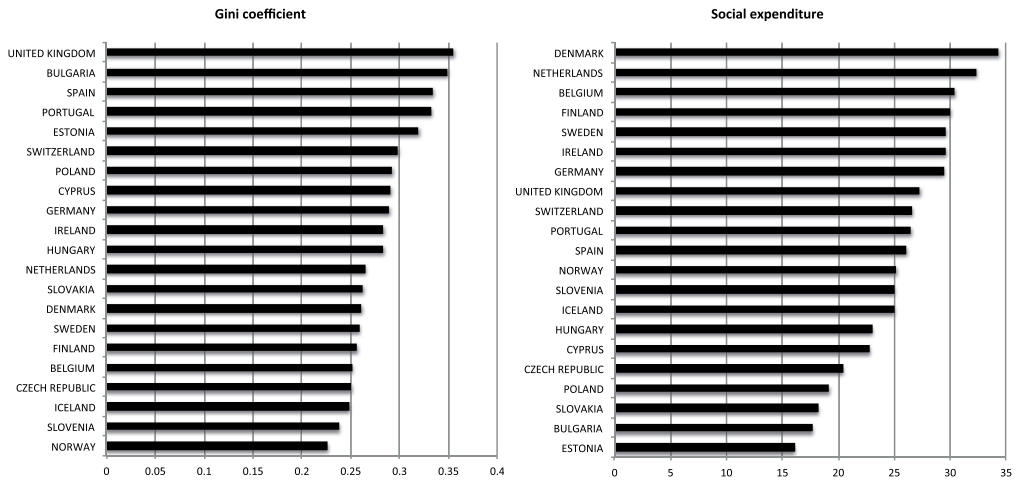
While income inequality is a relatively straightforward expression of distributional inequality it is also often criticized, since a single measure is not sufficient to capture inequality (Goldthorpe, 2010; Salverda et al., 2014). Recent literature is particularly explicit about the role of social policy for contextual inequality – welfare state effort is argued to have a profound impact on the extent and nature of inequalities and their social significance (Nolan et al., 2014; Piketty, 2014; Salverda et al., 2014). A welfare state is a system whereby the state undertakes to protect the social security of its citizens by means of legislations or provision of social benefits. Welfare states can redistribute resources and therefore are an important institutional factor in determining whether societies are egalitarian or inegalitarian.

The seminal work of Esping-Andersen (1990) was groundbreaking in terms of identifying different systems of welfare effort (i.e., welfare regimes) and raised awareness about cross-national variation in levels of social security provision and social stratification emerging from various welfare arrangements. In addition to the relatively broad classification of welfare regime categories, more recent scholarship has focused on the fact that welfare state effort can be captured with more concrete policy indicators, which also refer to the intent and design of the particular social policy arrangements (Marx and Van Rie, 2014). While there are many ways to capture welfare state effort, in general societies with more extensive and more generous social policies are more egalitarian, while societies with very selective and ungenerous social policies are more inegalitarian. Researchers studying different indicators have shown that demands from the global economy and changing population structures continually pressure welfare states' core elements and benefit levels (Swank, 2005), and there is a considerable variation in welfare state effort both across countries and over time (Caminada et al., 2010; Marx and Van Rie, 2014). Various attempts have been made to explain the emergence and development of different types of welfare states. Among them are power struggle and institutionalization theories, as well as explanations around working class mobilization, historical legacy, and economic and demographic pressures (Baldwin, 1990; De Swaan, 1988; Gosta Esping-Andersen, 1990; Pierson, 1991).

### **1.2.3. An illustration of contextual inequality**

Figure 1.1 illustrates the cross-national differences of contextual inequality in the European region in 2012. The level of income inequality was measured using a Gini coefficient – where 0 indicates perfect equality of incomes and 1 indicates maximum inequality – ranged from 0.23 in Norway to 0.36 in United Kingdom. In the same year social expenditure as a percentage of GDP, which is a proxy variable for the welfare state effort in providing social security, ranged from 16% in Estonia to 34% in Denmark (Eurostat, 2013). These indicators are negatively correlated to one another, with a correlation estimated at 0.27. This illustrates that people live in a variety of societal contexts, where both distributional and institutional inequality ranges from more egalitarian to more inegalitarian arrangements. While these figures present a snapshot of cross-national differences at one point in time, as mentioned earlier, both income inequality and governmental welfare effort also change within countries over time. In this dissertation we focus on the implications of variations in such expressions of contextual inequality.

Figure 1.1. Gini coefficient and social expenditure in Europe in 2012.



Note: Gini is based on disposable equivalized household income and social expenditure refers to expenditure on social protection as a percentage of GDP.

Source: Standardized World Income Inequality Database (SWIID) (Solt, 2009a) and Eurostat (2012).

### 1.3. Self-regarding and other-regarding attitudes

References to self-regarding and other-regarding attitudes, motivations and preferences are eminently common in the field of social science research, in fact, many other attitudes and behaviors are discussed by referring to the underlying self-oriented and other-regarding considerations (Bowles, 1998; Bowles and Gintis, 2000; Gërkhani and Koster, 2012; Mau, 2004; Schokkaert, 2006; Van Oorschot, 2002). Self-regarding attitudes refer to human values and attitudes with a personal focus, and other-regarding attitudes refer to human values with a social focus (Lindenberg, 2006; Schwartz, 1992; Schwartz, 2010). Throughout history people have been concerned about the conditions that might promote self-regarding attitudes and diminish other-regarding attitudes (Durkheim, 1983 [1964]; Hobbes, 1651 [1996]; Weber, 1968 [1922]). Before turning to discussing the conditions, we will first introduce the self-regarding and other-regarding attitudes in more detail.

Generally defined, a self-regarding attitude focuses on personal advantage. It includes aspirations for resources, personal success, status and prestige, and, more generally, the prioritization of personal welfare or well-being. Many terms in the literature are applied to self-regarding attitudes, including self-interest, selfishness, self-orientation, rational choice, calculative considerations, economic considerations, and so forth. In this dissertation we prefer to use *self-regarding attitudes* with the occasional use of other terminology used in different streams of literature. Hobbes (1651 [1996]) was one of the first to introduce the idea that people are inherently selfish. It has since become commonly acknowledged that

self-interest is one of the core motives of people's attitudes and behavior (Bowles and Gintis, 2000; Lindenberg, 2001; Schwartz, 1992). According to the neoclassical economists, self-interest was predominately understood in terms of striving for material gains (i.e., money and other types of resources) (Meltzer and Richard, 1981). However, behavioral economists have more recently acknowledged that self-interest is more complex and people strive for various goals related to enhancing their own well-being and welfare, including social status (Schokkaert, 2006).

An other-regarding attitude is broadly defined as a willingness to contribute to the welfare of others. Again, various terms are used in the literature, the most popular terms being 'prosocial attitude' and 'solidarity'. We rely on Lindenberg (2006: 24), who argues that the concept of 'solidarity' can be equated with the concept of 'prosociality'; they both refer to attitudes and/or behavior *"assumed to be intentionally beneficial to others (not necessarily without self-interest) and involving some sacrifice"*. According to Lindenberg, the two terms can be used interchangeably: 'solidarity' is a concept more commonly used by sociologists while 'prosociality' is more common among (social) psychologists and behavioral economists. In this dissertation we use these terms interchangeably, often depending on the particular literature we are addressing. We adhere to the idea that self-regarding attitudes can be motivated by both affective and calculating considerations (De Beer and Koster, 2009). Calculating considerations are those where people expect to get something in return by acting prosocially. Affective considerations, however, are those where people are motivated by factors such as affection, feeling of responsibility and moral duty towards others. In Chapter 2 we discuss more extensively what solidarity is and what solidarity is not.

#### **1.4. Contextual inequality and its impacts on attitudinal outcomes**

The idea that the societal context plays a role in forming public attitudes is not new. Already Durkheim (1983 [1964]) suggested that people adhere to cross-cultural differences in norms and values. Robert Merton (1968) argued more directly that societal structure plays a role in generating the different goals and values that are prevalent in a society, meaning societies can differ in what people value or find 'worth striving for'. Bowles (1998) discussed extensively how (economic) institutions do more than allocate goods and services: they also influence the evolution of values. However, we still know surprisingly little about how we come to have the attitudes and preferences we do (Bowles, 1998). In order to understand the relationship between contextual inequality and attitudes it is important to consider the 'causal narratives' or mechanisms, which provide an actor-centered explanation as to how contextual inequality could alter attitudinal outcomes (Goldthorpe, 2001). Next we discuss briefly some theoretical mechanisms that are presented in the literature as explanations for the relationship between contextual inequality and various attitudinal outcomes. We will present this literature as a theoretical background and at this point we will not directly address the relationship between contextual inequality and other-regarding and self-regarding attitudes; this will be done in more detail in each chapter separately.

### **1.4.1. Income inequality and attitudes**

Income inequality is discussed in relation to attitudinal outcomes such as happiness (Van Praag and Ferrer-i-Carbonell, 2011), social trust (Elgar and Aitken, 2010; Putnam, 2000), attitudes towards inequality and social justice (Osberg and Smeeding, 2006), support for redistribution (Kenworthy and McCall, 2008) and intolerance (Andersen and Fetner, 2008). While the literature is not always explicit about the causal narratives, different ideas are put forward. We can broadly make a distinction between more psychosocial and more material explanations for the relationship between inequality and attitudes. As a psychosocial mechanism, Van Praag and Ferrer-i-Carbonell (2011) suggest that people might have a natural disliking for inequality or that people might be sensitive about the income of the reference group, which could explain why people feel unhappier in unequal societies. Andersen and Fetner (2008) rely on the idea that inequality reduces social trust, which is responsible for increased intolerance in unequal societies. Declining social trust might also be detrimental for people's support for the state to collect taxes and redistribute resources (Rothstein and Uslaner, 2005). Wilkinson and Pickett (2010), in their widely discussed book on the consequences of income inequality, discuss similar ideas and suggest that income inequality is a measure of status hierarchy or status stratification. In unequal societies, those who are higher are farther away, and contribute to the status concerns and status anxiety of the rest. While the idea that inequality promotes status anxiety is often attributed to the work of Wilkinson and Pickett (2010), it is a concept that was already mentioned by Robert Merton (1968). Status anxiety, according to Merton, can emerge under conditions of competitive struggle: for example, when there is societal pressure to succeed while the opportunities to do so are limited (e.g., by inequality of opportunity). As a particular mechanism, the reference group idea of Robert Merton (1968) suggests that the level of inequality in a society determines the reference groups with whom one wants to compare oneself. In unequal societies status differences are more superficial and the reference groups are further away, thus everybody is likely to feel more pressure to compete and aspire to social status.

The economic mechanism implies that inequality matters for attitudes by determining and framing different material and self-oriented interests. Following a material explanation, income inequality could affect people's attitudes only to the extent that it affects the (relative) resources that people hold or have access to (Lynch, Smith, Kaplan, and House, 2000). For example, to the extent that relative income increases happiness, societies with more inequality contain more people who earn relatively less, and this could reflect in lower levels of happiness in inegalitarian societies. Furthermore, inequality could have an effect on individual attitudinal outcomes to the extent that the marginal utility of a fixed amount of resources is larger for poorer people than for wealthier people. The same amount of resources may lead to more happiness in an egalitarian society than in a strongly inegalitarian society. Additionally, income inequality is related to political and economic

policies that shape the quality of public services and infrastructure. Unequal societies invest systematically less in social infrastructure and services, creating unequal access to health care and other welfare services (Elgar and Aitken, 2010; Van de Werfhorst and Salverda, 2012). Access to resources and services could account for peoples' attitudes; for example, in unequal societies the lack of resources could make people less happy and lead to lower levels of social trust. How these mechanisms relate to self-regarding and other-regarding attitudes is discussed later in the empirical chapters.

### **1.4.2. Welfare state effort and attitudes**

Similarly, welfare state effort is related to a range of attitudinal outcomes. Much research has focused on the relationship between welfare state arrangements and welfare state attitudes (Arts, Halman, and Van Oorschot, 2003; Burgoon and Dekker, 2010; Dekker, 2010; Jæger, 2006; Jæger, 2009; Kenworthy and McCall, 2008; Svallfors, 2012; Van Oorschot, 2006). Such welfare state attitudes include support for redistribution, political preferences, and attitudes towards different social policies. Two central theoretical mechanisms could explain such macro-to-micro effects of social policies or welfare regimes on values, beliefs and attitudes (Svallfors, 2012). First, welfare states could have so-called 'resource and incentive' effects, which are present when macro factors affect the (material) interests of individuals. For example, the crowding-out hypothesis suggests that in egalitarian welfare states people value interactions with family and friends less because the social security net is already provided by the state (Arts et al., 2003; Van Oorschot and Arts, 2005). Second, Svallfors (2012) talks about 'normative' effects, which refer to the idea that macro conditions could affect what people see as desirable states of affairs. The idea of social norms implies that people tend to adjust to the national culture of equality or inequality: if the society is more egalitarian, then people may adjust their attitudes and internalize the notion that equality is important and the reverse holds in unequal societies. The latter suggests that the social structure informs people 'what the world should look like'. Titmuss (1968; 1974) also believed that egalitarian welfare states could promote egalitarian morals and social norms. From this perspective, it could be argued that egalitarian societies promote egalitarian values and norms (Mau, 2004; Rothstein, 1998). Overall, these theoretical propositions imply that welfare state institutions can act as filters for economic interests, meanings and values – all of which are important for attitudinal responses (Svallfors, 2012). Again, how these mechanisms relate to self-regarding and other-regarding attitudes is discussed later in the empirical chapters.



### 1.5. Aims and research questions

The overarching questions of this dissertation are the following: 1) What is the role of distributional and institutional contextual inequality for self-regarding and other-regarding attitudes? 2) How do these contextual effects on attitudes vary by individual socio-economic position? With these research questions in mind, the central aims of this dissertation are to make theoretical, conceptual and empirical contributions to the literature regarding the role of contextual inequality for self-regarding and other-regarding attitudes. While each chapter will address a separate research question and include a range of contributions, the five core aims are described below.

First, the goal is to enhance conceptual clarity regarding the concepts of self-regarding and other-regarding attitudes. Other-regarding attitudes refer to solidarity, which is a concept that is relatively broad and difficult to define. In the literature, altruism and social capital, and other factors such as support for redistribution, are used as proxies for solidarity. We argue that employing different indicators for solidarity can be useful; however, the implications and meaning of different indicators need more attention (Van der Meer, 2014). In this dissertation we want to set an example by using the more basic definition of solidarity proposed by Lindenberg (2006: 24) – solidarity refers to acts and attitudes that are *“intentionally beneficial to others (not necessarily without self-interest) and involving some sacrifice”*. We discuss solidarity as intentional willingness to contribute to the welfare or well-being of others. With proxies such as support for redistribution we cannot be sure that people have the well-being of others in mind – they could support redistribution solely out of personal (economic) interest in receiving social benefits (Meltzer and Richard, 1981). Teasing out the intentions behind contributions to the well-being of others is not always easy. However, it can be done by using particular survey items or research designs that include implications about solidarity as defined above, and by reducing the possibility that something other than solidarity gets measured. For example, even when capturing solidarity with a proxy variable such as support for unemployment benefits (in Chapter 3), a distinction can be made between different risk groups in order to minimize the role of direct material self-interest, and to establish a reference for the incentive to contribute to the welfare of others.

Second, we examine contextual inequality broadly by not only analyzing the distributional aspects of inequality (i.e., income inequality) but also the institutional aspects of inequality (i.e., welfare state effort). Thereby we acknowledge that contextual inequality is a multidimensional construct that cannot be captured with one measure only (Goldthorpe, 2010). Moreover, in order to capture distributional and institutional aspects of inequality we incorporate different indicators, which will be discussed below (see the Conceptualization section).

Third, we explicitly discuss the individual-level mechanisms, which could explain the effect of contextual inequality on individual attitudes. We argue that current literature

discusses many different mechanisms and sometimes similar ideas are simply referred to using different terminology. The aim of this dissertation is to show that there are common ideas about the effects of contextual inequality on attitudes, and very broadly we can distinguish between two categories of mechanisms: more economic explanations and more social explanations. These mechanisms cannot always be tested explicitly but they provide an important theoretical context.

The fourth aim of this dissertation is to study the question of ‘effect heterogeneity’, which asks whether there are differences in the association between context and attitudinal outcomes by an individual’s own position in the social hierarchy. This is an important question since currently we know decidedly little about how contextual factors affect attitudes according to social location of individuals. We want to know more about the macro-level consequences for micro variations, as this is important for understanding cohesion in public attitudes. Effect heterogeneity would imply that contexts have the power to widen or diminish the divides in attitudes between social groups within societies; more divided or polarized attitudes can be interpreted as lack of cohesion.

The fifth major aim is to make an empirical contribution. Much research to date has been limited to cross-national analyses. While cross-national analysis is important and sometimes the only option available due to data limitations, parts of this dissertation also include a dynamic perspective. Pooled cross-sectional data is used to analyze the combination of differences found across countries and over time.

## **1.6. Analytical approach**

### **1.6.1. Conceptualization**

This dissertation is based on a quantitative empirical analysis using comparative high quality cross-national surveys that have been collected (sometimes repeatedly) within countries. For income inequality we used a Gini-coefficient, which is widely used indicator that ranges from 0 (everyone has the same income) to 1 (one person owns all the income). Thus, egalitarian contexts have a relatively low Gini and inegalitarian contexts have a relatively high Gini. The Gini is based on disposable equivalized household income and is attained from the Standardized World Income Inequality Database (SWIID) (Solt, 2009b). The Gini-coefficient is available across a large number of countries and over time. In parts of the dissertation we also include alternative distributional indicators of income inequality that reflect ratios between the top and the bottom income groups but also top income shares, see Chapter 4.

For institutional inequality, instead of the welfare regime typologies (Esping-Andersen, 1990), we prefer more specific welfare state effort indicators: welfare state expenditure measured as a percentage from the GDP, unemployment benefits replacement rate (Van Vliet and Caminada, 2012) and employment protection legislation (OECD, 2004). These are all preferred continuous measures since they are more concrete and they introduce

more cross-national and temporal variation in the analysis (Jæger, 2006). While contextual measures are often quite straightforward in terms of indicating whether a society is more egalitarian or more inegalitarian, interpretations can also vary. For example, employment protection legislation can be interpreted as creating inequality between the insiders and the outsiders of the labor market (Rueda, 2008) or alternatively, it can also be interpreted as being an egalitarian policy promoting the well-being of workers. Operationalization of the concepts and further discussion are presented in each chapter separately.

Self-regarding and other-regarding attitudes are studied in different ways, with concepts captured at times directly, and at others indirectly. For example, solidarity is captured distinctively with indicators that measure people's willingness to contribute to the welfare of others, while self-orientation is measured by the amount of one strives for social status. However, sometimes we can only make an indirect distinction between self-oriented and other-regarding attitudes. For example, support for unemployment benefits among secure workers is more likely to be an indicator of solidarity, as compared to support for unemployment benefits among insecure workers. Although we aim to focus on a narrower understanding of solidarity, we still need various indicators because such a complex concept cannot be captured with one indicator only.

### **1.6.2. Data and methods**

In recent decades there has been a huge advancement in the availability of data: thousands of people in countries all over the world are asked the same questions about their living conditions and their attitudes. Such datasets include the European Social Survey and the European Values Study. These surveys are designed to collect cross-national data at the individual level in a uniform way. Such data is unique because people in many different countries are asked exactly the same questions. In order to analyze such data, hierarchical models have become particularly popular. Hierarchical modeling is a statistical tool used to capture the theory that individuals are embedded in their societal contexts. Hierarchical models take into account the fact that individuals are nested in countries and thus do not form an independent sample of individuals (resolving the assumption of 'independence of observations'). In other words, hierarchical models allow the analyzation of different levels of data (micro and macro) simultaneously.

In addition to micro data, advances have been made in the amount of comparative macro data available. The Eurostat, the World Bank, the OECD, and other organizations now publish various socio-economic indicators measured in a systematic and uniform way. These organizations have enabled us to quantify various contextual inequalities. Combining individual-level survey data with macro-level indicators and using hierarchical modeling, allows us to determine whether particular aspects of societal contexts affect people's attitudes and behavior. Thereby, hierarchical models are a step closer to answering the fundamental societal question: does societal context affect people's attitudes and behavior?

Mainly due to the absence of cross-national data over time, researchers studying contextual effects have predominately focused on one time point (Wilkinson and Pickett, 2010). Therefore the central focus has been to explain differences between countries. While an important advancement in the field of social science research, this approach faces a number of problems and is often criticized (Saunders, 2010; Snowden, 2010). The main criticism refers to heterogeneity between countries: countries differ in many ways and it is impossible to account for all differences between countries. By now, however, surveys have been consistently carried out over a number of years. This means that we have data for different countries across time. For instance, the European Social Survey (ESS) has been conducted biannually from 2002 until 2012, yielding six rounds of survey data for over 30 countries. This is not panel data, since each year different individuals have been required for the survey. Nevertheless, the repeated cross-sectional data provides the opportunity to examine the relationships of our variables of interest simultaneously between countries and within countries over time. This strategy is utilized in two chapters of this dissertation.

The time frame of the ESS data, ranging from 2002 to 2012, is particularly useful for studying the effects of contextual inequality because we can observe substantial variations between countries and over time. This time frame captures the onset of the 2008 financial crises as well as the increasing demographic pressures and globalization of the period, all of which have important consequences from the perspective of contextual inequality. During this period, income inequality increased in many countries (Nolan et al., 2014). At the same time, demands from the global economy and changing population structures have forced welfare states to undertake adjustments – many governments are re-considering core elements of the welfare state to discourage welfare ‘dependence’ (Swank, 2005; Taylor-Gooby, 2013). Thereby, we find this a historically unique opportunity to study the role of contextual inequality for attitudinal outcomes.

### **1.6.3. Issues concerning causality**

With the observational data at hand, social scientists studying contextual effects on individual outcomes in a country-comparative framework have increasingly become concerned with causality (Goldthorpe, 2001). In a strict sense, individual causal effects can never be measured because of our inability to observe a counterfactual, i.e., we cannot compare what really happened under particular circumstances to something that might have happened under different circumstances (Arjas, 2001). Nevertheless, causal reasoning remains a basic element of scientific thinking and is defined by the idea that a cause raises the probability of an event (Gerring, 2005). However, even if a relationship is observed consistently and robustly, its causal interpretation remains difficult also in probabilistic terms (Salverda et al., 2014). Causality is particularly difficult to establish in observational studies, such as the causality in the relationship between societal context and individual outcomes (Arjas, 2001). A strong relationship between a contextual variable and an outcome variable

does not necessarily mean the two are causally related; there are several alternative explanations as to why the association might appear (Salverda et al., 2014). First, there is the problem of omitted variable bias, which means that correlations could be reflections of other features of the societies in question. Second, there is the problem of reversed causality, which means that we do not always know what the cause is, and what the effect is. For instance, instead of context influencing individual attitudes, individual attitudes could determine contextual settings. Finally, a correlation could appear by coincidence when in fact the variables are entirely independent. Although these are all serious challenges to causal inference, there are both theoretical and empirical ways to address these difficulties.

Acknowledging the problem of causal inference, Goldthorpe (2001) points to the value of thinking in terms of ‘causation as a generative process’, which involves specifying hypotheses that are derived from a ‘causal narrative’ at the level of individual actions and interactions. From this perspective, causal interpretation of social phenomena needs to be based on deductive theory building, hypothesis formulation and empirical testing (Van de Werfhorst and Salverda, 2012). In this dissertation we rely on an actor-centered contextual perspective and suggest that contextual inequality shapes the interests, perceptions and norms of individuals. We discuss causal mechanisms, which provide a narrative of such a process on an individual level. These causal mechanisms provide an important theoretical context.

In addition to theoretical mechanisms and causal narratives, good data and advanced statistical methods are necessary to understand causal interpretations. When it comes to studying the relationship between societal contexts and individual outcomes, multilevel modeling makes it possible to control for a range of societal characteristics. This is useful for reducing the chances that other societal features are driving the relationship between two variables (i.e., the omitted variable bias). Although multilevel models are very useful, it is impossible to control for all the differences between countries, meaning the problem of between-country heterogeneity remains. This problem is particularly acute in cross-sectional studies, where the findings are highly susceptible to differences between countries (Van der Meer, Te Grotenhuis, and Pelzer, 2010). One way to counter the problem of heterogeneity between countries is to study countries over time (Kenworthy and McCall, 2008). By pooling different waves of cross-sectional surveys we can look at the combination of cross-country comparisons with an over-time perspective. This procedure increases the number of observations available and, crucially allows us to adopt a dynamic perspective when looking at the impacts of contextual settings (Salverda et al., 2014). Thus, instead of asking whether countries with varying levels of inequality differ in terms of societal outcomes, it becomes possible to assess whether those social problems are worsened more in countries where inequality has risen more steeply than in countries where the rise in contextual inequality has been more modest (or absent). In a within-country, over-time context the problem of between-country heterogeneity is reduced. If we find similar societal effects with both

types of analyses, then this can be seen as an important step closer to understanding the relationship between contextual inequality and attitudinal outcomes (Salverda et al., 2014). This approach is taken in Chapter 4 and Chapter 5 of this dissertation. Furthermore, it is also crucial that the time period studied in this dissertation is historically unique; much has changed in contextual inequality in the last two decades, but at varying degrees across countries. This gives us enough variation both between countries and over time to detect the effects of contextual inequality.

Finally, it is important to realize that societal context is but one explanation for why people think or feel in certain ways. There are many other explanations. Most multilevel research shows that the variance explained by the contextual factors is relatively small and greater differences exist within countries than between countries. This suggests that other, more individual level factors affect attitudes and behavior. Nevertheless, societal context can explain a substantial proportion, which makes it worth investigating. Moreover, similar to most other comparative multilevel studies, we extensively incorporate individual-level variables to (partially) account for within-society differentiations.

### **1.7. Overview of the four studies**

This dissertation consists of four empirical chapters on the effect of contextual inequality for self-regarding and other-regarding attitudes. Each chapter has been written as a separate piece and can therefore be read independently. Next, a summary and main contributions of each chapter are laid out.

**Chapter 2** is a cross-sectional study of a relationship between income inequality and solidarity in Europe. This chapter makes a number of theoretical contributions. First, special attention is given to the concept of solidarity and the way it differs from related concepts, such as support for redistribution or social capital. In the literature these concepts are often mixed. Here solidarity is defined as the ‘willingness to contribute to the welfare of other people. Second, this chapter makes a theoretical distinction between affective and calculating motives behind solidarity. We argue that the relationship between income inequality and solidarity could differ depending on whether solidarity is based on affective or calculative considerations. We emphasize that taking different motives into account is crucial for understanding the underlying theoretical mechanisms between societal context and attitudinal outcomes. Theoretically, we could expect income inequality to increase calculating solidarity but decrease affective solidarity. Empirical contributions in this chapter complement the theoretical discussion. First, a measure is used that better captures the essence of solidarity – willingness to take action to improve the living conditions of members of the community, the elderly, the sick and disabled, and immigrants. Furthermore, we show empirically that a willingness to help fellow countrymen is motivated by both affective and calculating considerations, including motives such as moral duty, sympathy, wish to contribute to society, and also self-interest. The results show that income inequality

is negatively associated with solidarity towards community, the elderly, the sick and the disabled, suggesting that people in unequal societies are less eager to contribute to the welfare of these particular (weaker) social groups.

In **Chapter 3** we look at an institutional type of solidarity – support for public unemployment benefits among the employed members of a society. While this is a typical measure used in research on public support for the welfare state, by focusing only on employed people we can still capture the essence of solidarity – willingness to contribute to the welfare of other people. In order to distinguish between different motives of workers, we make a distinction between subjectively secure and subjectively insecure workers. We propose opposing hypotheses about how egalitarian and inegalitarian social policies could influence secure and insecure workers and thereby moderate the relationship between employment insecurity and support for unemployment protection. We find that protection of temporary job contracts and generous unemployment benefits bring the attitudes of the secure and insecure closer together. We argue that the convergence of attitudes can be explained by the distribution of underlying social risks and existing social norms about solidarity.

**Chapter 4** focuses on the relationship between income inequality and a self-regarding orientation in terms of status-seeking. Based on literature suggesting that members of unequal societies are more concerned about their position in the social hierarchy, in this chapter we hypothesize that people will also be more eager to attain enhanced respect and recognition in the eyes of others. By using repeated cross-sectional data over the period of 2002-2012, we complement existing studies by focusing on both between- and within-country over-time variability in income inequality and status-seeking. The findings show that as inequality increases – especially inequality at the top – people are more concerned about social status in the eyes of others. The pattern is most clear for men of lower status groups, which suggests that rising inequalities may generate a potential discrepancy between the desire for status and the opportunity to achieve it.

Lastly, in **Chapter 5**, we consider the relationship between solidarity and status-seeking. The literature suggests that self-regarding and other-regarding attitudes are not necessarily in conflict with each other. In fact, people can fulfill their self-oriented agendas (e.g., status-seeking) by having solidarity with others. However, the reputational gains resulting from helping others can differ across societies and alter the motivation of status seekers to act in the interests of others. Egalitarian contexts could either have a normative effect by promoting solidarity and strengthening the association between status-seeking and solidarity, or egalitarian contexts could have a crowding-out effect by undermining solidarity and weakening the association between status-seeking and solidarity. The results show that both general eagerness to help others and the association between status-seeking and solidarity are weaker in egalitarian contexts. These findings suggest that informal solidarity is more important and is related to more reputational gains in inegalitarian contexts as compared to egalitarian contexts.





## Chapter 2. **Income inequality and solidarity**

A version of this chapter is published as Paskov, M. and Dewilde, C.L. (2012). Income inequality and solidarity in Europe. *Research in Social Stratification and Mobility*, 30(4), 415-432.

**Abstract**

This chapter studies the relationship between income inequality, a macro-level characteristic, and solidarity of Europeans. To this aim, solidarity is defined as the ‘willingness to contribute to the welfare of other people’. We rely on a theory according to which feelings of solidarity are derived from both affective and calculating considerations – we derive competing hypotheses relating the extent of income inequality to these ‘underlying’ motivations for solidarity. Using data from the 1999 European Values Study (EVS), we apply multilevel analysis for 26 European countries. Controlling for household income and a range of macro-level characteristics, we find evidence that in more unequal countries people are less willing to take action to improve the living conditions of their fellow countrymen. This is true for respondents living in both low- and high-income households. According to our theoretical framework, this finding suggests that, at least when measured in terms of ‘willingness to contribute to the welfare of other people’, feelings of solidarity seem to be influenced more strongly by affective, rather than by calculating considerations.

## 2.1. Introduction

The aim of this chapter is to study how inequality within countries, particularly in terms of income inequality, is related to solidarity in Europe. For this purpose, we use a measure that directly captures the essence of solidarity – willingness to contribute to the welfare of other people. In the literature, this core element of solidarity is often poorly captured. Solidarity has, for instance, been combined with concepts like social cohesion, social trust, and social capital, or has been equated with ‘institutionalized’ or ‘formal’ solidarity – i.e. support for welfare state intervention. Although these concepts refer to social relations and are in some way related to solidarity, they do not provide ‘direct’ information on what motivates people to support informal or ‘institutionalized’ forms of solidarity. For instance, studies on popular support for welfare state intervention make it difficult to ascertain the extent to which respondents are willing to actively promote the welfare of others based on feelings of solidarity, or whether support for the welfare state is instead motivated by self-interest. Our first contribution to the literature is hence to introduce conceptual clarity while utilizing a measure that more closely captures the general idea of solidarity – ‘willingness to contribute to the welfare of others’. More specifically, we look at solidarity in terms of support for the welfare of fellow countrymen: neighbors, the elderly, the sick and disabled, and immigrants. We examine feelings of solidarity as a determinant (among other determinants) of support for ‘institutionalized’ arrangements of solidarity.

The concept of solidarity has been discussed ever since the establishment of social theory. Durkheim (1983 [1964]) already emphasized the functional necessity of solidarity for the existence and survival of social systems. Solidarity binds a society together and is a foundation for realizing collective interests (Van Oorschot and Komter, 1998). Classical social theorists not only recognized the importance of solidarity for society, they were also concerned about how to sustain solidarity in times of rapid social change. An important theme throughout Durkheim’s work is how to ensure collective morality, cohesion and solidarity as societies become more strongly characterized by an organic division of labor, resulting in specialization and anomie.

More recently, it has been suggested that solidarity is threatened by individualization, the expansion of markets and market liberalism, and ethnic diversity (Alesina and Glaeser, 2004; De Beer and Koster, 2009; Stjernø, 2004). In recent years, considerable research has focused on the reversal of the long-term declining trend in economic inequality, a social fact that seems to characterize many welfare states since the late 1970s. According to the *Growing Unequal* report (OECD, 2008: 15), this upswing in income inequality is ‘widespread and significant, but moderate’. Explanations have focused on large-scale trends on different levels, such as technological change, globalization and the internationalization of market economies, flexibilization of labor markets (which might or might not follow from the pressures of globalization), the declining impact of unions, welfare state restructuring, and changes in household size and structure. These changes are supposed to affect either the relative sizes of population groups with a lower and higher wage or (household) income –

which makes for a 'compositional' effect – or the relative earnings received by these groups, and more specifically the high- and low-skilled, in return for their labor (Alderson and Nielsen, 2002; Atkinson, 2008; Neckerman and Torche, 2007).

Recently, Wilkinson and Pickett (2009) have argued that growing inequalities may have important societal consequences. Their central argument is that while income inequality affects societal outcomes negatively, what matters is that people themselves are relatively more unequal to each other. In more unequal societies, comparing one's own situation to another's results in anxiety, and lower levels of security and self-esteem. Greater differences between people trigger status competition and rising aspirations, resulting in a range of undesirable outcomes, such as higher crime and violence rates, harsher criminal justice, worse physical and mental health, declining social trust, lower educational performance, and halted social mobility.

Although their methodological approach is not uncontested (e.g., Saunders, 2010), several of Wilkinson and Pickett's results have been substantiated. Examples are Lancee and van de Werfhorst (2012) on social participation and Babones (2008) on population health. Overview articles are provided by Neckerman and Torche (2007) and Thorbecke and Charumilind (2002). Although there is an abundance of research on the impact of inequality on many outcomes, it is much more difficult to test which underlying mechanisms could be responsible for these outcomes (psychosocial effects, level of available resources and services in a society, and social distance). In fact, more research is needed in this area, and we believe that for the more 'social' outcomes, solidarity might play a mediating role. For instance, segregated lives and greater social distance might mean that both rich and poor have fewer feelings of solidarity, and hence care less about how visible and invisible crimes (e.g. tax fraud) affect the community and its members. Wilkinson and Pickett (2009) also suggest, for instance, that more imprisonment combined with harsher criminal justice regimes indicate less-humane attitudes and less empathy toward fellow countrymen in unequal societies. Such micro-mechanisms, however, are often not empirically tested. We thus argue that exploring the impact of inequality on solidarity (care for fellow countrymen) is actually part of the research into causal mechanisms. This is, however, a much broader research program, while in this chapter we focus on solidarity as an outcome in the first place.

A second aim of this chapter is to ascertain how economic inequality – in particular within-country inequality of disposable household incomes – impacts solidarity, operationalized in terms of the willingness to contribute to the welfare of others. Durkheim (1983 [1964]) suggested that gross social inequities compromise solidarity, while social justice and equality (of opportunity) are important conditions for sustaining solidarity. The main foundation of solidarity is the feeling of a 'shared fate' (Mayhew, 1971; Van Oorschot and Komter, 1998). We argue that income inequality increases social distance and feelings of animosity between social groups, and erodes feelings of identification and a shared fate with fellow countrymen.

Thirdly, starting from the different motives of solidarity identified in the literature – affective and calculating considerations – we formulate competing hypotheses concerning the impact of inequality on solidarity. Willingness to help others is not only dependent on affective considerations but also on more rational motivations – people might support the welfare of others because they realize that this will in turn benefit themselves, or society at large. The negative externalities of income inequality, such as increasing crime and societal problems, affect all members of society. Therefore, from a calculating perspective, the overall level of support for the welfare of fellow countrymen might increase when inequality is higher. In this chapter, we try to clarify these opposing effects of income inequality on solidarity by referring to the theoretical distinction between affective and calculating solidarity.

We start with a literature review, in which we formulate a number of hypotheses concerning the impact of income inequality on feelings of solidarity in Europe. We also acknowledge that in order to establish a non-spurious association between income inequality and solidarity, we should rule out numerous alternative explanations that might contribute to this association. Next, we discuss the data and methods. Given our interest in the impact of income inequality, a country-level characteristic, on feelings of solidarity, we estimate multilevel models. After presenting our empirical results, we conclude with a discussion and some avenues for future research.

## **2.2. Theoretical considerations**

### **2.2.1. What is solidarity (not)?**

Solidarity can generally be defined as the willingness to contribute to the welfare of other people.<sup>2</sup> Referring to more recent classical authors, Parsons (1951) discusses solidarity in terms of taking responsibility as a member of a collective, and doing something for the benefit and coherence of a group or a wider social system. Similarly, according to Habermas (1995), solidarity involves concern for the well-being of both one's fellow human beings and for the community at large. More recently, Van Oorschot and Komter (1998) argue that solidary behavior boils down to acting in the interest of the group and its members. According to Stjernø (2004), in a modern society solidarity means standing up for those who are less privileged. The underprivileged, however, should also stick together.

The motives behind solidarity are disputed, but a distinction is made between calculating and affective considerations (De Beer and Koster, 2009). Solidarity is based on calculating considerations when people help others because they want to improve their own welfare and hence receive direct (and indirect) benefits in return (Hechter, 1987). Calculating solidarity is also referred to as 'enlightened self-interest' or 'weak reciprocity', as it involves

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<sup>2</sup> The concept of solidarity can be equated with the concept of pro-social behavior: both concepts refer to behavior assumed to be intentionally beneficial to others. According to Lindenberg (2006), the two can be used interchangeably in this chapter.

an understanding that one can maximize one's own well-being by improving that of others (Baldwin, 1990; Bowles and Gintis, 2000; Hechter, 1987; Stjernø, 2004). This suggests that people help others not because they sincerely care for them, but because helping indirectly improves their own well-being, or because their own well-being is jeopardized by the plight of others. These benefits can furthermore be material or immaterial. For instance, in a classic text Gans (1972) suggests the existence of poverty provides the non-poor with a whole range of material and immaterial benefits, such as jobs (as social workers) or emotional satisfaction (by blaming the 'undeserving' poor for their misery and feeling 'altruistic' or 'Christian' for helping them regardless of their immoral behavior). Note that the benefits of 'helping other people', in this instance the poor, are derived from (and hence help to legitimate) the existence of poverty in the first place. Eradicating poverty would require a radical redistribution of income and power, and hence be dysfunctional for the non-poor, as such profound changes would decrease well-being of the latter. Calculating solidarity also relates to the idea of organic solidarity introduced by Durkheim (1983 [1964]). This type of solidarity is fostered by interdependence between members of society – when people realize their fates are dependent on the fate of others, they will be more eager to collaborate. From this perspective, the feeling that 'we need each other' should promote calculating solidarity (Van Oorschot and Komter, 1998).

Affective solidarity, however, is based upon feelings of sympathy and moral duty. From this perspective, people are motivated to contribute to the welfare of others out of altruism,<sup>3</sup> which can be defined as 'a genuine concern for other people', or because they think helping others is the morally 'right thing to do' (Schokkaert, 2006). People might also show solidarity out of gratitude and a sense of fairness – a wish to do something in return for (vaguely determined) past, present or future favors they have received or will receive from other people. Bowles and Gintis (2000) refer to this form of reciprocity, which is furthermore conditional on feelings of 'fairness', as 'strong reciprocity'. Following Stjernø (2004), empathy with and compassion for others encourages people to share resources and restrict individual pursuits. Affective solidarity is similar to Durkheim's idea of mechanical solidarity – solidarity based on identification with others. When people feel that they are alike and thereby have a 'shared fate', they will be more eager to promote each other's welfare.

Note that the difference between calculating and affective considerations is delicate. To account for this, Schokkaert (2006) prefers the labels 'more selfish' and 'more altruistic' considerations, respectively. It is often mistakenly assumed that affective considerations are somehow non-rational. In this chapter, we draw upon the idea that people try to do

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<sup>3</sup> Note that our everyday concept of altruism – conscious intention of helping others without expecting anything in return – differs from the biological notion of altruism (Okasha, 2003). In evolutionary biology, an organism is said to behave altruistically when it benefits other organisms at a cost to itself (Hamilton, 1964). There is, however, no general agreement as to how altruism arises by natural selection.

the best they can according to their own subjective values and goals (Schokkaert, 2006). However, people value different things. They might value their own welfare and material well-being (calculating considerations), while also valuing fairness and moral ideals (affective considerations). A preference for either of the two can be seen as rational, although the source of motivation is different. Considering the variety of motives for expressing solidarity discussed above, it is difficult to fully understand and even more difficult to accurately measure intentions behind solidarity. In this chapter, we are mainly interested in the end-result – solidarity as an outcome, and how it is influenced by economic inequality.

We simply assume that when people promote the welfare of others, they do this because: (a) they realize that their own well-being will improve or will be protected when they support the welfare of others (i.e. calculating solidarity); and/or (b) they feel affectively and morally engaged to do so (i.e. affective solidarity). Similarly, when people do not promote the welfare of others this is because: (a) they do not feel that their own well-being will benefit from their support for the welfare of others and (b) they do not feel affectively and morally engaged to do so. As suggested by Weber (1968 [1922]), both types can be present in the same relationship: people can be influenced by a fellow-feeling toward others (affective solidarity), but also by rational motivations (calculating solidarity).

In addition to defining solidarity, we consider it important to establish what solidarity is not. Solidarity is sometimes fused with concepts like social cohesion (coherence or unity of a group) and social capital (broadly referring to the benefits resulting from social relations between people) (De Beer and Koster, 2009). These concepts have been captured empirically with a diverse set of indicators – frequency and quality of contacts with neighbors, social trust, informal sociability (e.g. visiting friends), participation in organizations, public engagement (e.g. voting), tolerance, voluntary work and so forth (Lancee and Dronkers, 2011; Tolsma, Van der Meer, and Gesthuizen, 2009). As Putnam (2000: 117) has noted, however, doing good for people is not part of the definition of social capital. Activities like voluntary work (in sports, music, religious and other organizations) are often engaged in by people in order to pursue personal goals related to for instance self-fulfillment, or as activities that are simply pleasant to do in company (De Beer and Koster, 2009). Hence, these measures do not directly inform us about feelings of solidarity, i.e. concern for the well-being and welfare of others.

Furthermore, the concept of solidarity is sometimes measured in terms of welfare state generosity (Alesina, Glaeser, and Sacerdote, 2001) or as public support for welfare state intervention or redistribution (Banting, Soroka, and Johnston, 2007; Gelissen, 2000). Indeed, the welfare state can be seen as an expression of formal solidarity on a larger scale, again incorporating elements of both affective and calculating solidarity. On the one hand, the welfare state might reflect feelings of concern and care toward other members of society, derived from striving for the ‘common good’ (Titmuss, 1970). On the other hand, support for the welfare state can be explained by calculating considerations (De Swaan, 1988).

People might realize that they can improve their own well-being by ensuring that generous benefits are available to them in times of need, or by improving the living conditions of others. It has for instance been argued that the well-off have a self-interested incentive to contribute to welfare programs in order to protect themselves from dangers (diseases, crime, and social problems) that potentially emerge if a large part of the population lives in poverty (De Swaan, 1988).

Although the welfare state is often regarded as an expression of solidarity, neither welfare state generosity nor public support for redistribution are direct measures of feelings of solidarity. As indicated in the previous paragraph, support for the welfare state can, but does not necessarily entail that people are interested in promoting the welfare of fellow-citizens. For instance, based on the so-called median voter theorem put forward by Meltzer and Richard (1981), people consider only their own direct material returns when deciding how much government redistribution they prefer, without devoting any thought to the consequences for other people. Meltzer and Richard rely on a classic economic perspective according to which people are selfish, and self-interest is narrowly understood in terms of direct economic returns. Thus, when we use a variable such as 'welfare state generosity' or 'support for redistribution', it is even more difficult to distinguish between interest in the welfare of others (either because people care or because they see other people's welfare as contributing to their own welfare) and interest in promoting one's own narrow economic self-interest (in terms of ensuring that one will receive decent state benefits in times of need). Another argument is that people might express feelings of solidarity, but they might have less trust in the ability of (current) government to organize this solidarity – such a mechanism would compromise the validity of 'support for redistribution by the government' as an indicator of solidarity. In this chapter, we therefore use a more direct indicator of solidarity, a measure that explicitly refers to the welfare of other people: willingness to contribute to the welfare of fellow citizens. We argue that with our measure we more closely approximate the core of the concept of solidarity. Moreover, it is important to note that the relationship between income inequality and solidarity is not necessarily the same as the relationship between income inequality and support for government redistribution or volunteer activity. As argued before, solidarity is but one determinant of these outcomes, among many others.

We also consider with whom people are solidary. Broader solidarity means that interests of more people are recognized and accepted as a collective concern – it shows how broadly the collective is defined (Van Oorschot and Komter, 1998). For instance, solidarity can concern only a small group of the very poorest people, or it can apply to all fellow countrymen. We examine solidarity in terms of four groups: people living in the community, the elderly, the sick and disabled, and immigrants.



### **2.2.2. Income inequality and solidarity**

In this chapter, we are particularly interested in the relationship between income inequality and solidarity, operationalized in terms of a more 'direct' indicator referring to affective solidarity (care and concern) and calculating solidarity (own interests). We already discussed the complexities of using 'support for government intervention' as a measure of solidarity. Besides solidarity (support for the welfare of others), this measure also captures another element – direct material interest, which does not include the welfare of others – and it is difficult to distinguish between the two. We know from the Meltzer and Richard model (1981) that when inequality increases, it becomes materially more beneficial for the majority of the population to support redistribution. Researchers, however, find inconsistent evidence and therefore often doubt the 'empirical utility' of the Meltzer–Richard model (Kenworthy and McCall, 2008; Lübker, 2007). We argue that there is no reason to doubt the Meltzer–Richard model in its prediction that when market inequality is higher, there will be more people for whom redistribution will become materially beneficial. However, there is reason to doubt the idea that income inequality is only directly related to higher levels of support for redistribution. Namely, support for redistribution does not solely depend on direct material returns, but also on other considerations, including feelings of solidarity (Bowles and Gintis, 2000; Kangas, 1997; Mau, 2004; Van Oorschot, Opielka, and Pfau-Effinger, 2008; Van Oorschot, 2006). Highlighting 'solidarity' as a mediating concept between macro-level characteristics of societies – such as the extent of income inequality – on the one hand, and welfare state generosity or support for redistribution on the other, might thus clarify the often-ambiguous empirical findings on attitudes toward welfare state redistribution. In this chapter, we therefore focus first and foremost on solidarity as the outcome of interest.

We conclude from the literature that while income inequality should have a negative effect on affective solidarity (see later in this section), the effect on calculating solidarity (here defined in terms of enlightened self-interest) is more difficult to theorize. Arguments from the literature lead us to hypothesize a positive effect of higher inequality on calculating solidarity. We already referred to the possibility that income inequality might be perceived as a negative development by both the better-off and the less well-off, as high inequality might lead to negative externalities such as social tensions, crime, and feelings of insecurity (for an overview see Neckerman & Torche, 2007). Indeed, the economic literature has shown that inequality negatively affects economic growth through political instability and uncertainty about property rights (Thorbecke and Charumilind, 2002). Although economic studies are usually based on a sample of both developed and developing countries, we argue that our sample is sufficiently varied (it includes the former Communist countries, which experienced significant transitions in many domains) as to allow a positive effect of income inequality on calculating feelings of solidarity.

We could furthermore also refer to the older idea in sociology that a certain amount of inequality seems to be ‘normal’ or ‘necessary’ in order for the complex division of labor in modern societies to function efficiently (Krueger, 2008; Lenski, 2008). Durkheim for instance suggested that in a fully-developed organic society characterized by individualism, equal opportunity, specialization and interdependence, inequality is to be expected because at this point in evolution it should be based on differences in the internal abilities of individuals (Durkheim, 1983 [1964]). We thus hypothesize that, to the extent that people are aware of the interdependencies characteristic for modern societies (for instance, employers realizing that their employees can only be productive when they are decently rewarded), a higher level of inequality should be related to a greater willingness to help other people. This leads to the following hypothesis: there is a positive relationship between income inequality and calculating solidarity toward fellow countrymen (Hypothesis 1a). Note that this positive effect is based on the assumption that people actually realize the negative externalities originating from more inequality. To the extent that this is not true, the expected positive effect becomes weaker or even non-existent. As we will examine later, this has implications for the ‘total’ expected effect of income inequality on the ‘willingness to help other people’. Because of data restrictions, we are however not able to empirically separate calculating from affective expressions and measures of solidarity.

Next we argue that income inequality is likely to weaken the affective considerations that motivate people to promote the welfare of others – concern, sympathy and moral duty (Hypothesis 1b). A point made by, among others, Wilkinson and Pickett (2009) is that in addition to the negative impact of income inequality on societal outcomes across absolute higher and/or lower individual or household incomes, there is also a relative effect of income inequality. In more unequal societies, comparing one’s own situation to another’s causes anxiety, stress, and feelings of relative deprivation, ultimately resulting in larger social distances between people (also see Layte, 2011).

Several studies have established that social distance in terms of ethnic, linguistic or religious diversity weakens social bonds (Alesina et al., 2001; Putnam, 2000; Schubert and Tweed, 2004). We argue that income inequality can be viewed as a source of differentiation and social distance. Those who are alike in terms of economic conditions can afford similar life-styles; conversely income inequality means that conditions and life-styles are differentiated, resulting in economic and social segregation (Neckerman and Torche, 2007). Social experiments show that conditions that reduce social distance (e.g. communication among participants prior to a game in order to establish contact) lead to higher and more sustained levels of generosity and cooperation (Hoffman, McCabe, and Smith, 1996). In unequal societies people are more dissimilar, making it more difficult for people to identify with and relate to one another. As discussed before, resemblance and similarity, and the experience of a ‘common fate’, are necessary foundations of solidarity (Baldwin, 1990; Materia, Rossi, and Guasticchi, 2005). People are less inclined to share resources with those

who are perceived as 'different'. Larsen (2008) suggests that a society that allows poorer people to sustain an 'ordinary' lifestyle reduces the risk of stigmatization. Furthermore, according to Wright (2000), income inequality fractures communities, generates envy and resentment, and makes social solidarity more precarious. Thus, inequality divides a society and poisons relationships between social groups and people. Furthermore, inequality also creates physical distance between neighborhoods, schools, workplaces and so forth (Neckerman and Torche, 2007). As described by Rothstein and Uslaner (2005), while citizens of a country (such as Brazil) may share a nationality, their lives do not necessarily intersect. Their children go to different schools, they use different health care services, and so forth. In societies with higher equality (such as the Nordic countries), however, the unemployed use the same childcare facilities, schools, hospitals, nursing homes as more well-off citizens. In unequal societies the rich are better shielded from the poor by living in segregated neighborhoods, or even gated communities. A fundamental base for social bonds and community spirit is face-to-face interaction and intersection of lives. When the rich and the poor are distant from one another and do not interact on a daily basis, then according to Rodger (2003), genuine empathy toward other people decreases. Therefore, it can be argued that economic inequality creates heterogeneity of lifestyles together with mental and physical distance among social groups, which in turn undermines the motivational basis for reaching out to those in need. Both social and physical distances make it more difficult for people to sympathize with others and less likely to feel morally engaged to help them.

Finally, we already mentioned that data restrictions do not allow us to directly measure affective and calculating feelings of solidarity. The European Values Study (EVS) does ask respondents about their motivations for helping others, but only if they have already indicated that they are willing to help others. However, from the above literature review, it is possible to derive a hypothesis concerning the 'total' effect of income inequality on the willingness to contribute to the welfare of others. We already noted that the positive effect of income inequality on calculating feelings of solidarity presupposes that respondents are actually able to recognize that their well-being is partly dependent on other people's welfare. This is however quite a strong assumption to make, as this is actually rendered more difficult because of the mental, social and physical distance created by increased income inequality. In other words, we argue that as inequality becomes greater, the decline in affective solidarity dampens the positive effect of inequality on calculating feelings of solidarity. Therefore, we could say that the 'relative weight' of calculating considerations of solidarity will decrease as the negative effect of mental, social and physical distance on affective solidarity increases. We hypothesize that the 'overall' effect of income inequality on the propensity to promote the welfare of other people will be negative (Hypothesis 1c). Note that a negative effect of income inequality on solidarity is also consistent with a different interpretation, i.e. that even though people are able to recognize the benefits to their own welfare from helping others, affective considerations are simply more important

in determining solidarity than calculating considerations. For the purpose of this chapter however, distinguishing between these different interpretations is less important than demonstrating a negative effect of income inequality.

### **2.2.3. Controlling for alternative explanations**

Lastly, for our arguments to hold, we have to ensure that the relationship between income inequality and solidarity does not arise from alternative explanations. For instance, it has been argued that ‘hard times lead to hard hearts’: as people experience more economic hardship they become more concerned about their own material conditions, and less considerate of other people (Durr, 1993). The affluent can afford to take care of others, meaning solidarity may be lower in unequal countries simply because a greater proportion of the population holds fewer resources (i.e. a compositional effect). Firstly, to account for resources on the individual level, we investigate whether the hypothesized negative effect of income inequality (derived in Hypothesis 1c) holds for both the wealthier respondents and the respondents with a lower household income. Hence our sub-hypothesis: Higher income inequality is related to a lower level of solidarity, despite the level of resources people have (Hypothesis 2a). Secondly, to account for the level of economic resources at the country-level, we control for GDP per capita. Our second sub-hypothesis is hence as follows: Higher income inequality is related to a lower level of solidarity, controlling for differences in economic affluence between countries (Hypothesis 2b). As mentioned in the introduction, estimating the impact of both individual-level and country-level determinants of solidarity requires a multilevel model.

Feelings of solidarity could also depend on the generosity exhibited by the welfare state (Van Oorschot, 2006). A common critique of the welfare state is that it has unintended negative social and moral consequences. It has been argued that social expenditure ‘crowds out’ informal caring for other people (Van Oorschot and Arts, 2005). Furthermore, solidarity may be lower in countries with generous welfare expenditure because people feel that they already help others by contributing a high proportion of their income (via taxes) to the welfare state. There might hence be a ceiling to how much people are willing to contribute to the welfare of others. On the other hand, social expenditure could also be positively related to solidarity. According to the ‘adjustment hypothesis’, a generous welfare state encourages people to feel solidary (Jakobsen, 2009). From this perspective, national policy and people’s attitudes go hand in hand: a national ‘culture of solidarity’ toward the needy is positively associated with public support for collective responsibility (Van Oorschot et al., 2008). We account for these confounding effects by controlling for social expenditure as a proportion of total government expenditure. We propose a third sub-hypothesis: Higher income inequality is related to a lower level of solidarity, controlling for differences in social spending between countries (Hypothesis 2c).

Finally, a number of individual-level characteristics might play a role in determining

solidarity. Women, it is argued, adhere more to values of caring and mutual responsibility (Diekmann and Schneider, 2010). The elderly can be expected to be more solidary than younger people – young people generally feel less moral obligation toward others (Van Oorschot, 2002). Furthermore, older and retired people can relate more easily to fellow elderly, sick or disabled people. Immigrants, however, are less likely to be solidary because they feel less a part of the population. We also expect married people to have a higher sense of responsibility toward other people. Educated people are believed to be more ‘enlightened’ (Hasenfeld and Rafferty, 1989) and might have developed a better understanding of the functional and moral necessity to contribute to the common good (Van Oorschot, 2002). Religiousness is associated with donating time and money to help the less fortunate (Scheepers and Te Grotenhuis, 2005). Others have suggested that giving and helping others is a ‘luxury’ (Banks and Tanner, 1997), hence we assume wealthier and employed people to be more solidary. We want to eliminate potential compositional between-country effects by controlling for all these individual-level variables. Hence, our fourth hypothesis: Higher income inequality is related to a lower level of solidarity, controlling for differences in socio-economic characteristics between individuals (Hypothesis 2d).

## **2.3. Methodology**

### **2.3.1. Data**

Data for this research is from the European Values Survey (EVS) 1999. In each country, face-to-face interviews were conducted among samples of adult citizens aged 18 years and older. Thirty-three countries participated in the 1999 EVS. Due to data availability, we restricted our sample to 26 European countries: Austria, Belgium, Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Germany, United Kingdom, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Romania, Slovakia, Slovenia, Spain and Sweden. The 1999 EVS is the only currently available data set which allows for studying the ‘willingness to contribute to the welfare of others’, as well as people’s motivation to do so. In the latest EVS round in 2008 the questions about willingness to contribute to the welfare of others were not asked.

### **2.3.2. Variables**

A descriptive summary of all variables is provided in Table 2.1. Our main dependent variable is solidarity. We define solidarity in terms of ‘willingness to contribute to the welfare of other people’. We acknowledge that when asking about feelings of solidarity, one should specify toward whom solidarity is directed: people can be highly solidary with certain population groups and not at all with other groups. We thus analyzed solidarity toward different groups of people, as implied by the following survey question: ‘would you be prepared to actually do something to improve the conditions of: (a) people in your neighborhood/community; (b) elderly in your country; (c) sick and disabled people in your

country; and (d) immigrants in your country. Answers were measured on a Likert-scale: 1. Absolutely not; 2. No; 3. Maybe yes/maybe no; 4. Yes; and 5. Absolutely yes.

Our central explanatory variable is income inequality in a country. We used the Gini-coefficient as a measure of income inequality. The Gini-coefficient is widely used and ranges from 0 (everyone has the same income) to 1 (one person owns all the income). We used Gini-coefficients from the Standardized World Income Inequality Database (SWIID) (Solt, 2008; Solt, 2009b). SWIID provides comparable Gini-indices of net income inequality based on disposable household income and is hence well-suited for cross-national research.<sup>4</sup> We also included a number of control variables in our analyses. On the country-level, we controlled for economic affluence in terms of GDP per capita<sup>5</sup> and expenditure on social protection (% of GDP)<sup>6</sup> (Eurostat, 2011). For an overview of country-level variables, see Appendix A. To account for potential population composition effects, we controlled for the following individual-level characteristics: gender, age, employment status, marital status, immigrant status, religiousness (subjective measure of how important a person considers religion), education and income. Income was measured in terms of the relative household income decile that a respondent belongs to.

### 2.3.3. Methods

Our main goal is to explain cross-country variation. Therefore, we estimated hierarchical linear random intercept regression models, accounting for the fact that individuals are nested within countries (Snijders and Bosker, 1999). This method helped us to distinguish between individual-level and societal-level effects on feelings of solidarity expressed by Europeans.

## 2.4. Results

### 2.4.1. Measuring solidarity: a validity check

In the theoretical section, we argued that solidarity is motivated by both affective and calculating considerations, and that it is difficult to separate them. Here, we demonstrate that our measure of solidarity indeed combines affective and calculating motives. Using the

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<sup>4</sup> We are interested in the level of income inequality (Gini) at the time of the interview – in 1999. For two countries, inequality data were not available for 1999, and we used the closest available Gini-coefficient, hence for Malta the data are from 2000 and for Iceland from 2004.

<sup>5</sup> The volume index of GDP per capita in Purchasing Power Standards (PPS) is expressed in relation to the European Union (EU-27) average, set to equal 100. If the index of a country is higher than 100, this country's level of GDP per head is higher than the EU average and vice versa. Data for all countries are from 1999.

<sup>6</sup> Expenditure on social protection as a % of GDP contains: social benefits, administration costs and other expenditure. Data refer to 1999, except for Poland, Lithuania and Romania where the data refer to 2000 and for Bulgaria, where data refer to 2005.

EVS-1999 data we examined the motivations underpinning solidarity. Respondents were first asked whether they were willing to contribute to the welfare of other people. Those respondents who answered that they would be willing to help older people and immigrants (who said ‘absolutely yes’ or ‘yes’) were additionally asked what would motivate them to do so. Remember that we have no information for those respondents who indicated that they would not be willing to help other people. Respondents were asked to evaluate different motivations.

Table 2.1. Descriptive statistics of variables used in the analyses.

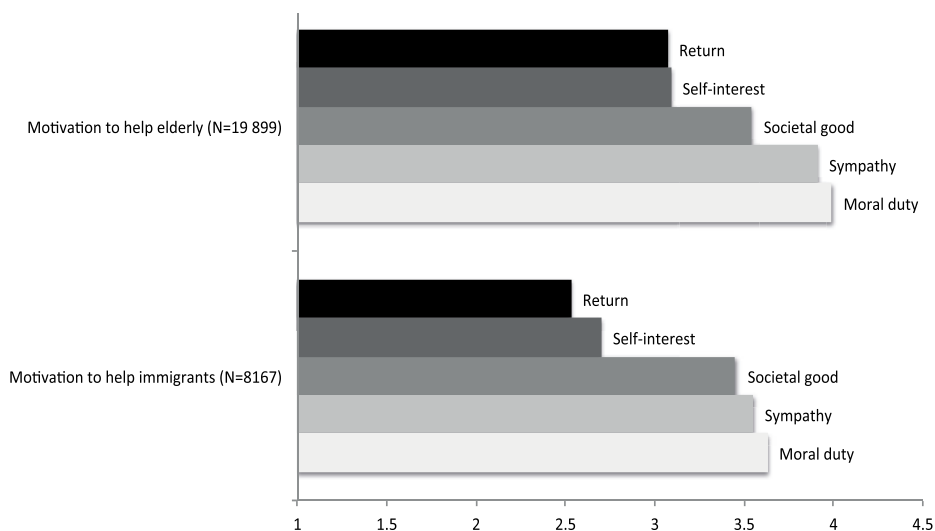
| Dependent variables           | Observations | Mean  | Std. Dev. | Minimum | Maximum |
|-------------------------------|--------------|-------|-----------|---------|---------|
| Solidarity towards community  | 31547        | 3.52  | 0.87      | 1       | 5       |
| Solidarity towards elderly    | 31394        | 3.70  | 0.84      | 1       | 5       |
| Solidarity towards sick       | 31330        | 3.77  | 0.85      | 1       | 5       |
| Solidarity towards immigrants | 30980        | 2.91  | 0.98      | 1       | 5       |
| Independent variables         |              |       |           |         |         |
| Female                        | 32085        | 1.53  | 0.50      | 1       | 2       |
| Age                           | 32093        | 45.26 | 17.16     | 15      | 98      |
| Retired                       | 32093        | 0.23  | 0.42      | 0       | 1       |
| Immigrant                     | 32093        | 0.04  | 0.21      | 0       | 1       |
| Religious                     | 34739        | 2.50  | 1.05      | 1       | 4       |
| Education                     | 31803        | 4.47  | 2.12      | 1       | 8       |
| Income                        | 26651        | 4.83  | 2.58      | 1       | 10      |
| Gini-coefficient              | 32093        | 0.28  | 0.04      | 0.22    | 0.36    |
| GDP per capita (PPPs)         | 32093        | 97.68 | 45.39     | 26      | 238     |
| Social expenditure (% of GDP) | 32093        | 22.57 | 5.32      | 13      | 30.7    |

The ranking of these motives is presented in Figure 2.1. It appears that Europeans evaluate moral duty and sympathy as the strongest motives to help older people and immigrants. General interest of society ranks somewhat lower. Self-interest and reciprocity are also part of people’s motivation to help older people and immigrants. Thus, both affective and calculating considerations determine people’s choice for promoting the welfare of others. However, affective considerations – moral duty and sympathy – come out as the stronger motivations behind solidarity. Therefore, solidarity appears to be more strongly dependent on affective rather than calculating considerations.

A further problem with the analysis of motives is that we were restricted to a smaller number of countries, as the questions about motivation were not asked in Sweden, Ireland, Hungary and Malta. Additionally, respondents had finite motivations to choose from, and

were not free to indicate any other motivations, meaning we were not able to consider the full range of possible motivations one might have for expressing solidarity. However, only 27 respondents did not consider any of these reasons important for helping older people, compared to 83 respondents for helping immigrants.<sup>7</sup> This indicates that most respondents could relate to the motives they were asked to evaluate. Moreover, a large proportion of respondents could relate strongly to some of the provided motivations. For instance, three quarters of respondents agreed that moral duty and sympathy are important motivations to help older people.

Figure 2.1. Evaluation of motives to help older people and immigrants



Note: Average scores on a scale 1–5.

### 2.4.2. Solidarity in Europe: some descriptive statistics

Now we explore how the level of solidarity differs among European countries. We look at solidarity toward members of the community, older people, the sick and disabled, and immigrants. Table 2.2 presents the proportion of respondents out of the total population who indicated that they would be prepared to actually do something to improve the living conditions of other people in their country (this number combines people who answered ‘absolutely yes’ and ‘yes’). Europeans are, on average, most solidary toward the sick, disabled and the elderly, closely followed by members of their immediate community. People are much less solidary toward immigrants. There are substantial cross-country differences in the

<sup>7</sup> Respondents who answered ‘not so much’ or ‘not at all’ when asked to evaluate the importance of different motives to help others.



proportion of respondents expressing solidarity. The percentage of people who are willing to contribute to the welfare of members of the community ranges from 22% in Lithuania to 73% in Ireland. Solidarity toward the elderly is expressed by 33% of people in Estonia, while 85% of Swedes are willing to contribute to older people's welfare. The proportion of respondents who are willing to help the sick and disabled ranges from 36% in Lithuania to 88% in Sweden. Solidarity toward immigrants is generally much lower: only 4% of Lithuanians express solidarity toward immigrants, while 68% are prepared to improve immigrants' living conditions in Sweden. These figures illustrate the variance in solidarity between European countries. These percentages however do not take into account the composition of the population in terms of socio-demographic factors and should hence be studied cautiously.

Table 2.2. Percentages of respondents in European countries who are willing to help their fellow countrymen.

|                  | Help community | Help elderly | Help sick and disabled | Help immigrants |
|------------------|----------------|--------------|------------------------|-----------------|
| European average | 54             | 63           | 67                     | 26              |
| Ireland          | 73             | 81           | 82                     | 36              |
| Slovakia         | 72             | 69           | 72                     | 21              |
| Austria          | 70             | 59           | 59                     | 20              |
| Netherlands      | 68             | 63           | 65                     | 35              |
| Sweden           | 68             | 85           | 88                     | 68              |
| Slovenia         | 66             | 65           | 71                     | 28              |
| Belgium          | 62             | 66           | 67                     | 31              |
| Luxembourg       | 61             | 58           | 64                     | 41              |
| Germany          | 61             | 53           | 50                     | 22              |
| Poland           | 56             | 68           | 72                     | 16              |
| Malta            | 56             | 77           | 82                     | 27              |
| Hungary          | 55             | 60           | 61                     | 8               |
| Spain            | 52             | 57           | 55                     | 35              |
| Iceland          | 51             | 73           | 83                     | 35              |
| Czech Republic   | 51             | 63           | 76                     | 15              |
| Italy            | 49             | 80           | 82                     | 46              |
| France           | 48             | 58           | 62                     | 25              |
| Romania          | 48             | 66           | 64                     | 22              |
| Denmark          | 47             | 67           | 70                     | 30              |
| Finland          | 45             | 71           | 73                     | 23              |
| Bulgaria         | 43             | 60           | 67                     | 18              |
| Greece           | 41             | 66           | 71                     | 29              |
| United Kingdom   | 41             | 54           | 58                     | 14              |
| Estonia          | 34             | 33           | 40                     | 9               |
| Latvia           | 30             | 56           | 59                     | 12              |
| Lithuania        | 22             | 34           | 36                     | 4               |

Note: Percentages of people who answered ‘absolutely yes’ or ‘yes’.

### 2.4.3. Multilevel analysis of solidarity

Firstly, we looked at the intra-class correlation (ICC), which shows us how much of the variance in solidarity is explained by the country-level (Table 2.3). As a first step, we estimated ‘empty’ models, and we concluded that countries indeed differ. The ICC ranges from 7% to 8% when we look at solidarity toward community members, the elderly and

the sick and disabled. Concerning solidarity toward immigrants, the country-level variation is higher, with a value for the ICC of 13%. We also want to ensure that the country-level variation is not solely explained by differences in population composition, and hence include individual-level variables as a second step. As can be seen from Table 2.3, there is still an unexplained substantial variance on the country-level. The ICC ranges from 7% to 9% for solidarity toward community members, the elderly and the sick and disabled, while it is again greater (14%) in case of solidarity toward immigrants.

Table 2.3. Intra-class correlation (ICC) for the ‘empty’ model and the model including individual-level characteristics.

| Dependent variable     | Empty model | Model including individual-level characteristics |
|------------------------|-------------|--|
| Help community members | 0.08        | 0.09   |
| Help elderly           | 0.07        | 0.07   |
| Help sick and disabled | 0.08        | 0.07   |
| Help immigrants        | 0.13        | 0.14   |

Note: Individual-level characteristics include: gender, age, retirement status, immigrant status, religiousness, education, income.

Regarding the individual-level determinants, our results indicate that women, older, married and more religious people, but also wealthier and more educated respondents, are in general more solidary. It is interesting to note that being employed is related to a higher level of solidarity toward older people. This indicates some intergenerational solidarity, but it could also reflect an awareness that employment contributes to earnings-related pensions. Being an immigrant increases the chances of feeling solidary toward immigrants. At the same time, being an immigrant decreases solidarity toward the elderly and the sick and disabled. This might be an indication that immigrants are not interested in contributing to the welfare of those outside their ethnic group. We conclude that ‘social distance’ matters – the closer people stand to others, the more likely they are to help them.

The main goal of this chapter is to study the relationship between income inequality and solidarity toward fellow countrymen. In addition to the potential effects of population composition, we also take into account other contextual factors that might be associated with both income inequality and solidarity: economic affluence (GDP per capita) and social expenditure (% of GDP). Our results show that there is a negative relationship between inequality and solidarity – a higher extent of income inequality is related to lower levels of solidarity toward neighbors, the elderly and the sick and disabled (Table 2.4). This is in accordance with our expectations. In more unequal societies, people are less likely to engage in improving the living conditions of members of the community, the elderly and the sick and disabled.

Table 2.4. Determinants of solidarity towards community members, the elderly, sick and immigrants in Europe, multilevel random intercept analysis.

|                               | Community           | Elderly              | Sick                 | Immigrants          |
|-------------------------------|---------------------|----------------------|----------------------|---------------------|
| Female (Ref.= Male)           | 0.038***<br>[0.011] | 0.062***<br>[0.010]  | 0.046***<br>[0.011]  | 0.041***<br>[0.012] |
| Age                           | 0.003***<br>[0.001] | 0.004***<br>[0.000]  | 0.001***<br>[0.000]  | -0.000<br>[0.000]   |
| Married                       | 0.108***<br>[0.011] | 0.086***<br>[0.011]  | 0.059***<br>[0.011]  | 0.045***<br>[0.012] |
| Employed                      | 0.016<br>[0.014]    | 0.031**<br>[0.013]   | 0.006<br>[0.014]     | -0.007<br>[0.015]   |
| Retired                       | -0.0002<br>[0.020]  | 0.008<br>[0.019]     | -0.004<br>[0.020]    | -0.034<br>[0.022]   |
| Immigrant                     | -0.041<br>[0.029]   | -0.116***<br>[0.029] | -0.151***<br>[0.029] | 0.371***<br>[0.032] |
| Religiousness                 | 0.092***<br>[0.006] | 0.089***<br>[0.005]  | 0.097***<br>[0.006]  | 0.116***<br>[0.006] |
| Education                     | 0.023***<br>[0.003] | 0.013***<br>[0.002]  | 0.017***<br>[0.003]  | 0.068***<br>[0.003] |
| Income                        | 0.008***<br>[0.002] | 0.006**<br>[0.002]   | 0.009***<br>[0.002]  | 0.012***<br>[0.003] |
| Gini                          | -0.021*<br>[0.011]  | -0.020**<br>[0.010]  | -0.022**<br>[0.0103] | -0.009<br>[0.014]   |
| GDP per capita                | 0.002**<br>[0.001]  | 0.001<br>[0.001]     | 0.001<br>[0.001]     | 0.004***<br>[0.001] |
| Social expenditure            | 0.003<br>[0.010]    | -0.002<br>[0.009]    | -0.005<br>[0.009]    | 0.007<br>[0.012]    |
| Constant                      | 3.283***<br>[0.421] | 3.691***<br>[0.388]  | 3.912***<br>[0.396]  | 1.931***<br>[0.545] |
| N individuals                 | 25734               | 25633                | 25586                | 25325               |
| N countries                   | 26                  | 26                   | 26                   | 26                  |
| Intra-class correlation (ICC) | 0.06                | 0.05                 | 0.05                 | 0.08                |
| Log Likelihood                | -31503              | -30618               | -31013               | -33210              |

Notes:

Standard errors in parentheses

+ p&lt;0.1, \* p&lt;0.05, \*\* p&lt;0.01, \*\*\* p&lt;0.001

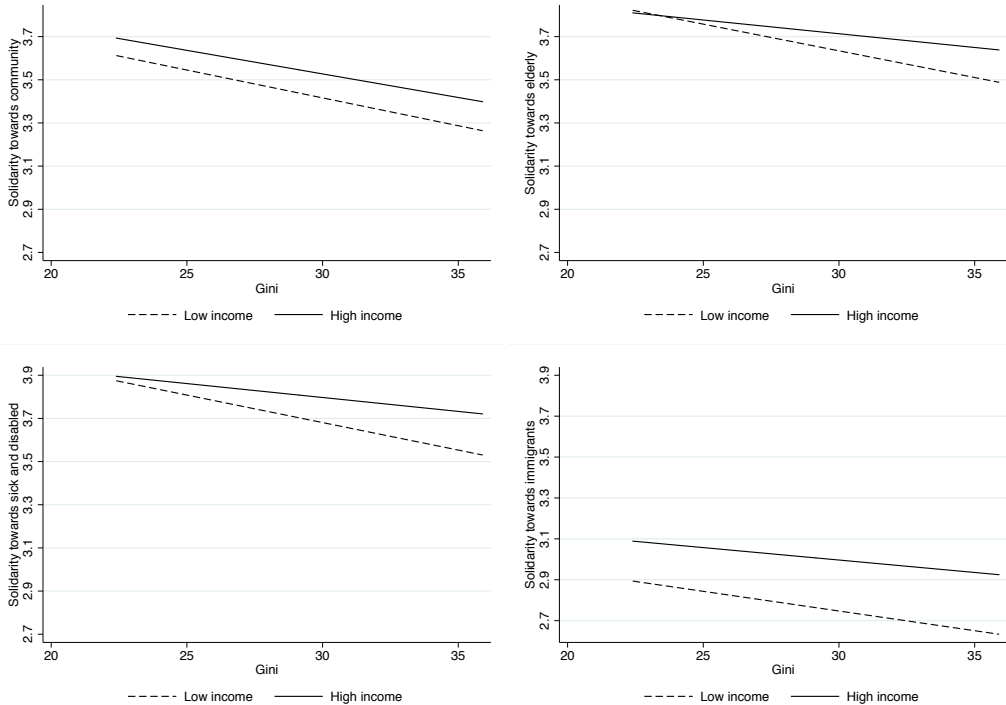


Figure 2.2. Interaction between inequality and income in relation to solidarity

It could be that inequality is related to lower levels of solidarity only because the poor do not have enough resources to support others. However, if inequality also affects the wealthy then we can be more certain that the effect we find is not only related to the absolute level of resources that respondents command. Therefore, we checked whether inequality reduces solidarity, independent of income level. To illustrate this, we present the relationship between income inequality and respondents' household income in Figure 2.2. It appears that a higher level of income inequality is related to a lower level of solidarity in both high- and low-income groups (also see Appendix B). The interaction effect between economic inequality and high-/low-income group is significant in the case of solidarity toward the elderly and the sick and disabled. We find that solidarity decreases more steeply among the poor as compared to the better-off. However, although the better-off are less influenced by the level of inequality, their feelings of solidarity toward the elderly and the sick and disabled remain negatively influenced by inequality. When we run the models separately for the better-off (those belonging to the highest income groups: 7–10), inequality still appears to be negatively related to solidarity (in case of solidarity toward the sick and disabled, the effect of the Gini-coefficient is significant on the 0.5 level; in the case of the elderly, the

relationship is weaker – it is significant at the 0.1 level).<sup>8</sup> Therefore, concerning solidarity toward the elderly and the sick and disabled, income inequality increases the gap between the wealthy and the poor.

To summarize, we find cross-sectional evidence that economic inequality is related to a lower level of solidarity, after controlling for resources that individuals hold or that are available in a society as a whole, social expenditure, and different socio-economic characteristics of individuals. We conclude that this negative relationship holds under various circumstances. Nevertheless it is important to note that we can only infer an association, and not causality.

## **2.5. Conclusion and discussion**

The aim of this chapter was to study the impact of economic inequality on solidarity in Europe. We defined solidarity in general terms as the willingness to contribute to the welfare of others, as well as the wider community. We argued that the concept of solidarity has too often been muddled with other concepts such as social cohesion, social trust, social capital and the redistribution of resources through welfare arrangements. Although these concepts and their measures affect social relations, they do not capture the essence of solidarity. We believe that our measure – ‘willingness to do something to improve the living conditions of other people’ – better reflects the core concepts of solidarity. We also believe that our research provides conceptual clarity, as solidarity might be an important mediating variable between the extent of inequality in a society and other social outcomes. Indeed, studying the impact of inequality on solidarity and contributing our results to existent mixed evidence concerning inequality trends and public support for the welfare state might well provide insight into earlier findings.

Furthermore, in defining solidarity we rely on a theory that solidarity is founded on affective (caring) and calculating (self-interested) considerations. We hypothesized that while inequality should have a positive effect on calculating solidarity, the impact on affective solidarity should be negative. Furthermore, as inequality rises, affective solidarity diminishes: the growing mental, social and physical distance between people limits their ability to ‘recognize’ the indirect reciprocal benefits of helping others, resulting in an ‘overall’ negative influence of higher inequality on our measure of solidarity. Although existing data do not allow us to distinguish between calculating and affective solidarity and hence to test all our hypotheses, our validity check (based on those respondents who indicate that they are willing to help) indicated that our measure of solidarity is indeed driven by mixed motivations: mainly feelings of moral duty and sympathy, but also self-interest, as well as a desire to contribute to the societal good and to reciprocate with others.

We found that feelings of solidarity toward people from whom there is less social

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<sup>8</sup> Results not presented here but available upon request.

distance are generally higher— such as the sick and disabled, the elderly and community members. Feelings of solidarity toward immigrants are much lower. Concurrently, we found a notable variation between countries of how much solidarity people express. Most of this variation is explained by individual-level characteristics. Women, older respondents, married and religious people, but also more educated and wealthier people tend to express more solidarity.

Societal conditions also matter. We were particularly interested in the relationship between income inequality and solidarity in Europe. We found evidence that income inequality is negatively related with solidarity. The more inequality, the less people are willing to make a contribution to improve the living conditions of the elderly, the sick and disabled, and others in their community.

Our results are generally in accordance with what we expected. Although it was empirically not possible to distinguish between affective and calculating motives, we expected income inequality to be negatively related to solidarity. We argued that although inequality might increase calculating solidarity, it is the effect on affective solidarity that is more straightforward and persistent. People might not necessarily recognize or believe that they could improve their own well-being by improving the welfare of others. The social distance that arises from inequality is much more easily recognizable and therefore has a more straightforward consequence in reducing solidarity toward fellow countrymen. In fact, we showed empirically that people are indeed more motivated by affective considerations (moral duty and sympathy) to help others. It is not surprising, therefore, that when inequality increases, ‘overall’ solidarity suffers. The weak negative association between inequality and solidarity could be explained by the fact that different motives (affective and calculating) create further distance between people. Furthermore, we showed that the negative relationship between income inequality and solidarity remained after controlling for individual resources and societal characteristics. Also, we found that not only the poor, but also the wealthy become less solidary in unequal societies.

The finding that income inequality might reduce solidarity toward fellow countrymen is relevant for several reasons. It suggests that in times of greater economic disparity, when relatively more people are in need, solidarity decreases. Furthermore, our finding provides some support for the Wilkinson and Pickett-hypothesis. Much of their argument relies on the psychosocial consequences of inequality and how it negatively affects human relationships. Our study instead highlights a specific mechanism related to social distance. Our findings are furthermore potentially relevant for the literature on public support for redistribution. It is generally accepted that support for redistribution is determined by material and solidary considerations. We know from the Meltzer–Richard model (1981) that income inequality should increase the direct financial incentive to support redistribution. At the same time, we show here that inequality decreases solidarity. Therefore, two important determinants of support for redistribution – direct material returns and solidarity – are dichotomous. This

might explain why empirical papers find inconsistent results when studying the relationship between income inequality and support for redistribution (Finseraas, 2009; Kenworthy and McCall, 2008; Lübker, 2007). It might be that while there is a material incentive to support redistribution, sharing resources with fellow countrymen becomes less favorable. Particularly the well-off who do not receive direct material benefits from the welfare state are more likely to support the system out of solidary considerations. The fact that inequality reduces solidarity among the well-off might be especially important when we consider support for redistribution and collective welfare arrangements. Therefore, this chapter highlights the necessity of an increased awareness of varying human motives. Support for redistribution clearly combines two important and yet different motivational aspects – material and solidary considerations. Given our difficulties in extricating these effects from existing survey data, it would be helpful in the future if questionnaire designers allowed us to separate affective and calculating motives of solidarity.

Lastly, we cannot ignore the possibility that causality is reversed. So far, we argued that increasing income inequality weakens solidarity toward fellow countrymen. However, it might also be true that in countries where people feel less solidary toward their fellow countrymen, inequality is more likely to emerge and persist. We cannot exclude this option. However, our goal was to test the theory that social distance in the form of economic disparity is related to a lower level of solidarity. Given the data available we can test empirically only those hypotheses derived from the literature. We find evidence that there is a negative relationship between income inequality and solidarity. Therefore, further research is needed to test the direction of causality. However, as others have suggested (Bénabou and Tirole, 2006), we believe that the causality is bilateral.







## Chapter 3. **Institutions, employment insecurity and support for unemployment benefits**

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**Abstract**

Research has shown that workers' support for public unemployment benefits (UB) depends on their level of employment insecurity: insecure workers are more supportive of benefits than secure workers. It can also be hypothesized that this polarization in support for UB is increased or decreased by the institutional settings of a country. We are particularly interested in two types of institutional conditions: the level of employment protection and the generosity of unemployment benefits. We discuss how public provision of social protection in terms of job security and income might motivate subjectively secure and insecure workers in different ways and thereby polarize or unite them with regards to unemployment benefits. We find that protection of temporary job contracts and generous unemployment benefits bring the attitudes of the secure and insecure closer together. We argue that convergence of attitudes can be explained by the distribution of underlying social risks and existing social norms concerning solidarity.

### 3.1. Introduction

Having a job entails having the possibility of providing for oneself financially (Scheve and Slaughter, 2004). Employment insecurity therefore involves considerations beyond the possibility of losing one's job (Anderson and Pontusson, 2007). Indeed, research has shown that employment insecurity yields numerous consequences, including negative impacts on health (Meltzer, Bebbington, Brugha, Jenkins, McManus, and Stansfeld, 2009) and life satisfaction (Carr and Chung, 2014). Employment insecurity, however, is positively correlated with support for governmental redistribution of resources and collective social insurance. Workers in an insecure employment position have been shown to be more supportive of welfare arrangements and unemployment benefits (UB) than secure workers (Anderson and Pontusson, 2007; Burgoon and Dekker, 2010; Margalit, 2013; Marx, 2014). The relationship between employment insecurity and support for UB is the central theme of this chapter. Employment insecurity has often been measured objectively, using factors such as skill specificity, occupational sector, atypical employment, and so forth (Boeri and Van Ours, 2008; Rehm, 2009; Rueda, 2008). In this chapter, we focus on perceived employment insecurity. Risk perceptions can be assumed to constitute an intermediating factor in the relationship between risk group membership and welfare state attitudes (Blomberg, Kallio, Kangas, Kroll, and Niemelä, 2012). Thus, instead of making assumptions about workers' security and insecurity based on objective employment conditions, we acknowledge that individual perceptions of security can differ, and that those in an objectively secure position can also experience insecurity.

The fact that insecure workers are, in general, more motivated to support public UB while secure workers are less supportive of such arrangements indicates a polarization of preferences and conflict of interests between the two groups. While this conflict of interests has been demonstrated in the literature, it has not been fully acknowledged, as up until now research either focused on the direct effect of the labor market insecurity on preferences for UB (Anderson and Pontusson, 2007; Rueda, 2008) or on how institutional settings affect employment insecurity and preferences for UB (Anderson and Pontusson, 2007; Chung and Van Oorschot, 2011; Fraile and Ferrer, 2005). The main objective of the present study is to combine these two research perspectives by investigating the relationship between institutional context and the polarization of preferences between secure and insecure workers. We argue that institutional settings may affect the preferences of secure and insecure workers in different ways, and that this ultimately could lead to polarization regarding UB support. We are particularly interested in two institutional conditions that provide social security of workers, namely, employment protection legislation (EPL) and unemployment replacement rate (URR). While the former enhances security by providing protection of jobs, the latter provides income maintenance for the unemployed. Investigating moderation effects provides information about the combined impact of institutions and employment insecurity on UB support. First, it reveals how institutional arrangements

affect the distinct preferences of secure and insecure workers. It could be, for instance, that institutions influence secure and insecure workers differently. Second, it shows whether and how institutional arrangements affect the polarization of UB support between subjectively secure and insecure workers. A significant polarization between subjectively insecure and secure workers could be interpreted as societal disagreement concerning public UB, while a small gap would indicate that the securely employed are more in agreement with one another and can coherently arrange welfare for the unemployed.

Round 4 of the European Social Survey (ESS) conducted in 2008–2009 provides a unique opportunity to answer the research questions developed in this chapter. In contrast to other international comparative surveys that include general measures of welfare state support (e.g. support for redistribution), this particular round of the ESS includes a variable explicitly asking respondents for their opinion concerning UB, namely, to detail the extent to which they feel their government should be responsible for providing unemployment assistance. An advantage of this measure is that a specific type of welfare transfer – unemployment benefit – is easier to interpret than, for instance, a general notion of redistribution. This measure explicitly defines to which group the money goes. Moreover, this ESS round provides information about perceived employment insecurity. We use multilevel modeling to account for the nested structure of the data and to analyze the moderating influence of institutional conditions. Since the questions about UB and perceived employment insecurity were not asked together in earlier rounds of the ESS, or in other international comparative surveys, it is currently not possible to account for changes over time. Therefore, we can only investigate associations and not causal relations.

### **3.2. Perceived employment insecurity and support for unemployment benefits**

Public UB are collective arrangements that provide workers with an income in the event of unemployment. Generally, these benefits are financed through a state-run social insurance system, meaning that part of the income of the employed is collected via social contribution or taxation and redistributed to the unemployed (Boeri and Van Ours, 2008). Therefore UB imply financial burdens of financing the benefits, and any increase in the generosity of UB needs to be financed via statutory payroll contributions. Although unemployment insurance is commonly organized by the state and mandatory for everybody, it would not exist without public support (Boeri and Van Ours, 2008). Therefore, widespread support is necessary for sustaining public welfare arrangements (Rehm, Hacker, and Schlesinger, 2012). Even though many countries have some sort of collective insurance for unemployment, support for such systems can vary considerably between different groups of workers within those countries.

Since public UB redistribute financial resources to provide aid for the unemployed, workers are likely to develop different attitudes. Secure workers have few reasons to believe that unemployment will affect them personally, making unemployment compensation less

appealing (Rueda, 2008). Insecure workers, however, are likely to believe that they might need assistance in the future and therefore are more likely to be supportive of such benefits.

How can we make a distinction between secure and insecure workers, though? The majority of prior studies investigate objective indicators of employment position (e.g. skill specificity, occupational sector, atypical employment, and so forth) to measure employment insecurity (Boeri and Van Ours, 2008; Rehm, 2009; Rueda, 2008). While there is some evidence that objective employment conditions affect perceived insecurity (Burgoon and Dekker, 2010), focusing on subjective employment insecurity provides a more direct indicator of how people perceive their own situation. In this chapter, subjective employment insecurity is defined as a condition in which individuals perceive that they will lose their job and will not be able to find another one relatively easily (Chung and Mau, 2014). It includes an individual's estimation of the chances of losing one's job in the near future and one's anticipation of a significant period of being unemployed. According to Blomberg et al. (2012), perceptions about the future are particularly important for welfare state support since people consider not only their current position but also their prospects. Based on the work by Burgoon and Dekker (2010) and Dekker (2010), we already know that subjective employment insecurity affects support for social protection, so that workers experiencing higher levels of employment insecurity show stronger support for public welfare arrangements and UB in particular. The question is, however, whether this holds equally true under different institutional conditions.

### **3.3. Institutions and polarization of attitudes towards unemployment benefits**

While support for UB among secure and insecure workers should be polarized, institutional settings could alter both insecure and secure workers' perceptions of the benefits as well as the extent to which their interests and preferences are divided. Korpi and Palme (1998) emphasize that institutional settings, which highlight the distinctions between groups in terms of their risks and resources, lead to divergent interests and more polarized attitudes towards social security. Similarly, in societies where the net contributors and beneficiaries of the welfare system are readily apparent, support for benefits might diverge (Rehm et al., 2012). In contexts where risks are commonly shared or more difficult to calculate and where the distinction between contributors and beneficiaries is less obvious, attitudes towards social security may converge. Additionally, attitudes are also likely to be more united in societies where people are driven by motives other than direct economic interest. For instance, in societies where solidarity is the norm, secure workers may overlook their own economic interest and support welfare arrangements (Mau, 2004; Rothstein, 1998), resulting in less-polarized attitudes.

Regarding institutional conditions, we are interested in social policies that provide workers with social protection, captured in terms of the existing level of employment protection and the generosity of UB on a national level. A general definition of UB has been

provided in the previous section – it is a form of income protection for workers. We capture UB in terms of unemployment replacement rate (URR). URR captures the generosity of UB, and it should allay fears of the negative consequences of unemployment (Sjöberg, 2010). The second type of social policy is employment protection, which is captured in terms of employment protection legislation (EPL), and developed by the Organisation for Economic Co-operation and Development (OECD, 2004). EPL refers to regulations governing the ease with which employers can fire workers, and thus EPL can be seen as a measure of firing costs or dismissal restrictions (Boeri, Conde-Ruiz, and Galasso, 2004). EPL provides security for one's current job (Chung and Van Oorschot, 2011). A distinction is made between EPL for permanent workers and EPL for temporary workers (OECD, 2004). The former is designed for workers with permanent employment contracts, whereas the latter is designed to regulate fixed-term and temporary work-agency contracts (e.g. the type of work for which these contracts are allowed and their duration).

Despite some differences, EPL and URR have in common that they should increase the overall level of security that workers within a country have, by lowering the chances of unemployment (EPL) and by securing income (URR) (Schmid, 1995). In the literature, EPL and UB are often seen as institutional trade-offs (Boeri et al., 2004; Chung and Van Oorschot, 2011; Schmid, 1995): if one policy is underdeveloped, the other is likely to replace it. At the same time, which specific institutions provide greater security for workers is a subject of debate. Chung and Van Oorschot (2011) conclude that UB are more influential for contributing to the feeling of security among workers because they provide income during unemployment. Next, we introduce two possible scenarios leading to conflicting hypotheses about polarization of attitudes under different institutional conditions.

### **3.3.1. EPL and URR divide workers**

First, we suggest that both employment protection and generosity of UB could divide the interests of subjectively secure and insecure workers, thereby polarizing support for UB. Rueda (2008) suggests that EPL enhances unequal distribution of labor market risks, creating a division and inequality between highly protected insiders and non-protected outsiders. EPL policies are rather selective by protecting only a sub-segment of the workforce and mainly strengthening the position of already-secure workers (Boeri and Van Ours, 2008). These secure workers may calculate that they are not likely to need UB now or in the future, but will still have to contribute to the scheme in the form of taxes that are necessary to finance the UB (Rehm et al., 2012). At the same time, in such protected labor markets, the actual unemployment risk is disproportionately shifted to the insecure outsiders (Rueda, 2008). The position of insecure workers becomes even more precarious because EPL policies are known to negatively affect transitions in the labor market; employment protection is associated with less mobility in the labor market and longer periods of unemployment (Boeri and Van Ours, 2008). For instance, in rigid labor markets, employers are less willing



to hire workers, making it difficult for the unemployed to return to work, and potentially lengthening the period of unemployment (Boeri et al., 2004). As shown by Marx (2014), the effect of employment insecurity on support for redistributive policies is strongest for workers who doubt their future employability. Taking this into account, the prospect of long-term unemployment in strong EPL contexts may give insecure workers additional incentive to support UB, while secure workers could have little incentive to support benefits for the unemployed. In strong EPL societies, risks are divided less equally and it is more obvious who the beneficiaries and contributors to the welfare state are (Rueda, 2008). Given the opposing interests and necessity for income protection, we can expect the attitudes of subjectively secure and insecure workers to be more polarized in societies with stricter EPL.

Similarly, generous URR can divide the economic interests of secure and the insecure workers and lead to a greater polarization of attitudes. Generous URR implies higher financial contributions to the benefits scheme. Generous welfare states and the high taxes associated with them may spark a thermostat reaction, which means that existing institutions may undermine support for the policy (Koster and Kaminska, 2012; Wlezien, 1995). Similarly, 'critical overload' theory suggests that overly generous welfare provisions might foster the feeling of being overburdened with the taxes necessary to uphold such extensive and generous programs (Chung and Meuleman, 2011). Since welfare spending increases the fiscal burden, those who are securely employed might be especially eager to contest the existing UB, resulting in greater opposition towards UB. From this, we could expect attitudes towards UB to be more divided in societies that have more income protection for the unemployed. Overall, both EPL and URR could deepen the divide between workers. Hence, our first hypothesis: In a context with more protective employment policies and more generous benefits, attitudes about UB among subjectively secure and insecure workers are more polarized (Hypothesis 1).

### **3.3.2. EPL and URR unite workers**

According to the literature, workers' preferences regarding welfare arrangements can be expected to be less polarized in societies where risks are more equally divided (Korpi and Palme, 1998) or where people are driven by motives other than their own direct economic interest (Rothstein, 1998). We have argued that strong EPL divides risks between workers in secure employment and those who might become unemployed. However, one could conversely argue that risks are more widespread in countries with strict EPL. As previously mentioned, while EPL is established to protect jobs, it is also associated with numerous negative consequences, such as longer unemployment durations and more difficulties in finding (good quality) jobs (Böckerman, 2004). Earlier, we argued that longer unemployment periods might create additional worries for insecure workers; however, it is also plausible that these worries could concern all workers. Anderson and Pontusson (2007) conclude from their research that EPL does not reduce employment insecurity in terms of future

prospects for alternative employment. Thus, while secure workers in strong EPL societies might feel confident about their current job and the near future, they might feel insecure about their long-term prospectives. It is important to consider that people are not only affected by the possibility of losing their job but also by the perceived consequences of unemployment – that is, ‘what happens to me and my family if I do lose my job?’ (Anderson and Pontusson, 2007). Boeri and Van Ours (2008) point out that under strict EPL regimes, workers are aware that job loss is more costly. Since people are likely to over-estimate the severity of negative outcomes (Kahneman and Tversky, 1979), even secure workers may become more ‘loss averse’ and prefer to insure themselves against unemployment. The fear of the severe consequences of unemployment may foster more support for UB, even among workers who are securely employed. Thereby, protective social policies might alter the meaning associated with being unemployed. By enacting such policies, protective societies would have less-polarized attitudes towards UB, and the preferences of secure and insecure workers would converge. As an alternative explanation, protection of temporary contracts could also be seen as a reflection of a national culture of solidarity towards the weaker members of the labor market (Mau, 2004; Svallfors, 2012), which could, in turn, promote unanimous support for UB among different segments of the society, including the secure workers.

Similarly, we could expect attitudes in societies with more generous UB to converge. As we have explained, support for welfare arrangements is not only motivated by material interests but also by attitudes and values prevalent in a society. URR could have a feedback effect by affecting the norms about solidarity and public responsibility towards the disadvantaged. Thus, instead of creating worries about the fiscal burden, high spending may be a reflection of a national culture of solidarity towards the needy (Rothstein, 1998). It has been argued that helpful societies contribute to a ‘we-feeling’ which makes it justifiable and more natural to contribute to the welfare state (Gërzhani and Koster, 2012). Similarly, Mau (2004) reveals that institutions have a role in constructing the attitudes of the contributors and beneficiaries of the welfare state. Given the social norms, subjectively secure and insecure workers may have similar attitudes when it comes to taking collective responsibility for the unemployed. As a result, the attitudes of secure and insecure workers should be less divided in societies with generous UB. We expect that in a context with more protective employment policies and more generous benefits, attitudes towards UB among subjectively secure and insecure workers should be less polarized (Hypothesis 2).

### **3.4. Methodology**

#### **3.4.1. Data**

Individual-level data are available through Round 4 of the ESS, conducted in 2008–2009. The sample was restricted to people under the age of 65 years who were engaged in the labor market; individuals who were not employed at the time of the survey are excluded.

We focused on employed people in particular, because they contribute to UB by paying taxes. People were selected using the following question: ‘Which of these descriptions applies to what you have been doing for the last 7 days?’ Respondents were categorized as ‘employed’ when they indicated the following option: ‘In paid work (or away temporarily) (employee, self-employed, working for your family business)’. So this question included all people who were engaged to some extent with the labor market but also those who were temporarily away.

As an indication of the people belonging to the ‘employed’ category, the majority (75%) work full time with more than 36 contracted hours a week, 20% work part-time and 5% have less than 15 hours of contracted work in a week. Furthermore, on average, 77% of the employed people have a permanent employment contract. We acknowledge that restricting our sample to employed people might create a selection bias since the employed population differs between countries. To counter this, we discuss additional analysis in the section on ‘Robustness checks’.

Macro data are retrieved from Eurostat and the OECD. Our sample consists of the following countries: Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Latvia, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey and United Kingdom. Note that not all macro variables are available for all countries; thus, between models the sample of countries will differ to some extent.

### **3.4.2. Variables**

Our dependent variable is support for public UB. We used the following question from the ESS: ‘How much responsibility do you think governments should have to ensure a reasonable standard of living for the unemployed?’. Answer categories range from 0 (‘Should not be governments’ responsibility at all’) to 10 (‘Should be entirely governments’ responsibility’). This question captures support for policies that address the living standard of unemployed people – unemployment insurance or services targeted at those losing their jobs (Burgoon and Dekker, 2010). The question is also suitable for international comparisons, as it does not suggest spending ‘more’ or ‘less’. Thereby, this question should be less biased towards existing levels of welfare spending across societies. A limitation of our dependent variable is that it only asks about the responsibility of providing for the unemployed, but doesn’t cover the duration or generosity of coverage. Furthermore, it does not include a budget constraint, nor does it remind people of higher taxes they would have to pay in the event that they opt for more state responsibility for UB. These limitations should be kept in mind when interpreting the results.

In the descriptive part of the empirical findings, to give a general overview of support for UB, we decided to divide the dependent variable into three categories: workers who tend to believe that UB are not a public responsibility (score 0–3), people who fall in between (score

4–6) and workers who tend to believe that UB are a public responsibility (scores 7–10). Note that we divided the scale into three categories to make a distinction between people who tend to support state responsibility, those who tend not to support state responsibility, and those who fall in between. This categorization is not intended to capture the strength of the opinion (there is a difference between supporting UB with a 7 or a 10); rather, it gives a general indication of which side of the continuum people prefer. In the statistical models, however, we use the full continuum as the dependent variable (ranging from 0 to 10).

Our main explanatory variable is perceived employment insecurity. Respondents were asked to indicate ‘How likely it is that during the next 12 months you will be unemployed and looking for work for at least four consecutive weeks?’. The answer categories were as follows: 1 – not at all likely, 2 – not very likely, 3 – likely, 4 – very likely. We believe that the question of probability of becoming unemployed is highly correlated with the estimation of needing UB in the next year. Thereby, people who choose 1 and 2 could be considered the subjectively secure and people who choose 3 and 4 are the subjectively insecure. Note that our measure captures estimates of the probability of losing a job and remaining unemployed for a prolonged period of time. It does not capture the perceived consequences of losing a job, however. We think that perceived employment insecurity better captures the notion of insecurity, as compared to objective measures of employment position. One reason for this is that objective employment conditions may have different meanings across countries. Appendix C shows differences in average scores of perceived insecurity for permanent and non-permanent workers in different countries. In all countries, people with a permanent contract have a lower score on employment insecurity, while workers with non-permanent contracts score higher on employment insecurity. These differences vary across countries, however. Further analysis demonstrates that the type of employment contract (after controlling for the socio-demographic factors) is in fact not significantly related to the subjective feeling of insecurity in a number of countries, including Turkey, Romania, Latvia, Hungary, Estonia, Czech Republic, Cyprus and Slovenia (results not presented here but available upon request from author). We conclude that objective indicators of employment insecurity, such as the type of employment contract, might not be an equally reliable indicator of employment insecurity across different countries.

In terms of moderating variables, we are interested in institutional settings providing security for workers: EPL and generosity of UB in terms of URR. As a measure of EPL, we include an index capturing the strictness of employment regulation from the OECD. It is a synthetic measure of the strictness of the employment protection, which takes an average of several components (rigidity of firing regulations for workers with permanent contracts and temporary contracts, the rigidity of collective dismissals) (for details, see Appendix D). Second, we include URR, measured as the fraction of current income, which the social unemployment benefit system provides to a person if he or she does not work (Van Vliet and Caminada, 2012). We chose to take the net URR for an average couple with two children.

We also included a number of control variables in our analysis. On the micro level, we accounted for gender, age, education, religiousness, ethnic minority status, previous experience of unemployment, having a permanent contract and perceived income (subjective evaluation of the level of household income). On the macro level, we controlled for a country's wealth by including gross domestic product (GDP) per capita in purchasing power standards (PPS).<sup>9</sup> In our analysis, the data is attained from the Eurostat. For an overview of all macro variables used in the study, see Appendix E.

### 3.4.3. Methods

We ran linear multilevel regression models with a random country-specific coefficient for subjective employment insecurity. This allowed us to consider that individuals are nested in countries and to take into account that the effect of employment insecurity varies across countries. Our main interest was the cross-level interaction between institutional context (EPL or URR) and subjective employment insecurity, which reflects whether attitudes of subjectively secure and insecure workers are more polarized or united.

## 3.5. Results

### 3.5.1. Descriptive statistics

First, Table 3.1 shows the descriptive figures for support for UB among workers. We make a distinction between two groups of employed people – the subjectively secure (those who do not fear unemployment in the near future) and the subjectively insecure (those who anticipate a significant period of joblessness in the near future). It appears that over half of all workers think that the government should be responsible for UB. Insecure workers, however, have a higher tendency to support UB than the securely employed (64% and 56%, respectively). Only a small minority of all workers, less than a tenth, tends to be against state-sponsored UB. Thus, only a very small proportion of workers in Europe believe the living conditions of the unemployed are not the responsibility of the state. A considerable proportion of people fall in the middle (about a third), suggesting that many workers think there should be some sort of public support for the unemployed, but that the state should not take complete responsibility. Since the proportion of people who are completely against state provision is very small, it is difficult to identify a strict polarization of people either being against or in favor of UB. We could claim a strict polarization only if the secure were

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<sup>9</sup> The volume index of gross domestic product (GDP) per capita in purchasing power standards (PPS) is expressed in relation to the European Union (EU-27) average set to equal 100. If the index of a country is higher than 100, this country's level of GDP per head is higher than the EU average and vice versa. Basic figures are expressed in PPS, that is, a common currency that eliminates the differences in price levels between countries allowing meaningful volume comparisons of GDP between countries. The index, calculated from PPS figures and expressed with respect to EU27 = 100, is intended for cross-country comparisons rather than for temporal comparison.

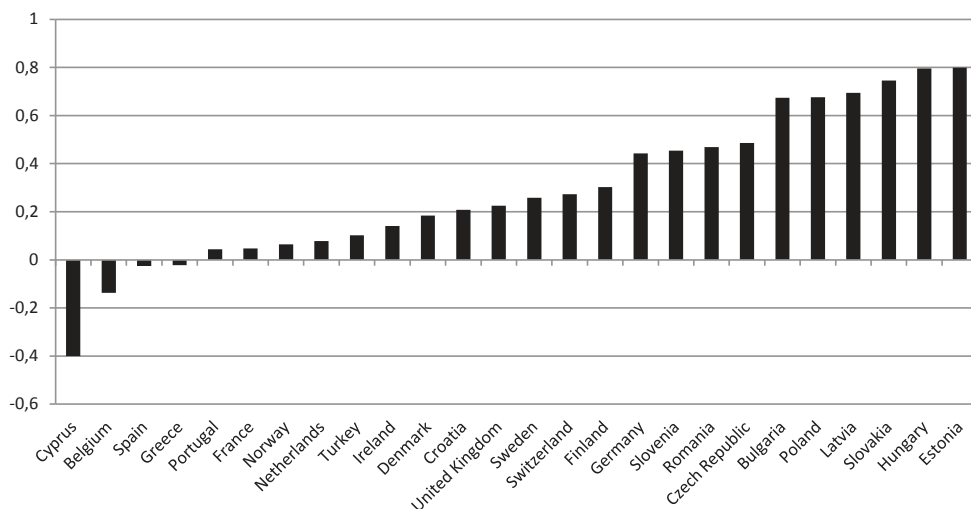
strongly against and the insecure very much in favor of UB. Instead we can consider the divide between workers that hold a middle position, and those that are more strongly in support of UB. Note that the figures presented here apply to the whole sample of European workers under the age of 65; distributions within countries are different.

Table 3.1. Attitudes towards unemployment benefits among the employed people in Europe, descriptive statistics.

|          | No state responsibility<br>(0-3) | Middle position<br>(4-6) | State responsibility<br>(7-10) | Total      |
|----------|----------------------------------|--------------------------|--------------------------------|------------|
| Secure   | 1628                             | 6958                     | 10 809                         | 19 395 (N) |
|          | 8                                | 36                       | 56                             | 100 (%)    |
| Insecure | 489                              | 2044                     | 4457                           | 6990 (N)   |
|          | 8                                | 29                       | 64                             | 100 (%)    |

To show the polarization in attitudes between subjectively secure and subjectively insecure workers in Europe, we look at the difference in average scores of support for UB from the two groups (Figure 3.1). Positive scores indicate that on average, the insecure show stronger support for government-sponsored UB than the secure; negative scores indicate the opposite. In most countries, the general prediction holds – the average support for government-sponsored UB is higher among subjectively insecure workers than secure workers. The results also suggest that the divide is greater in Estonia, Hungary, Slovakia, Latvia and Poland. The gap is very small in Spain, Greece, Portugal, France and Norway. In contrast to the literature, it appears that in some countries the securely employed show more support for UB than the insecurely employed – this is the case in Belgium and Cyprus. Note, however, that these are only descriptive statistics and should be observed with caution; the differences between countries (e.g. the wealth of the country) or the socio-demographic composition in these societies are not taken into account.

Figure 3.1. Difference in mean support for public unemployment insurance between the insecurely and securely employed.



### 3.5.2. The role of institutional conditions

Next, we investigated how attitudes towards UB among subjectively secure and insecure workers differ depending on institutional conditions, measured as employment protection (EPL) and generosity of UB (URR). Before analyzing the influence of these particular moderator variables, we ran an empty hierarchical model to ascertain whether variance in supporting UB can be explained by societal conditions. It appears that quite a substantial part, 11% of the variance, is explained by societal conditions.

Table 3.2 shows the full models, where we include institutional conditions and a number of individual level variables. A preliminary analysis showed that our findings were affected depending on whether we looked at employment protection for regular or temporary contracts. Therefore, we decided to present the findings separately for the two items. First, we see that EPL for regular workers is not at all related to support for UB, and it also does not affect the relationship between employment insecurity and support for UB (Model 1). EPL for temporary workers is positively related to public support for UB, however, in societies with a higher level of employment protection for temporary workers, people are on average more supportive of UB (Model 2). Furthermore, there is a negative cross-level interaction effect between EPL for temporary workers and subjective employment insecurity. This suggests that while EPL for temporary workers increases support for UB among both secure and insecure workers, the positive effect is somewhat stronger for secure workers. This further implies that EPL for temporary workers unites subjectively secure and insecure workers in their support for UB. This convergence of attitudes is illustrated on the left-hand side of Figure 3.2.

Table 3.2. Support for unemployment benefits in Europe, multilevel analysis.

|                                       | <b>Model 1</b> | <b>Model 2</b> | <b>Model 3</b> |
|---------------------------------------|----------------|----------------|----------------|
| Male                                  | -0.131***      | -0.131***      | -0.148***      |
|                                       | [0.032]        | [0.032]        | [0.031]        |
| Age                                   | 0.009***       | 0.009***       | 0.007***       |
|                                       | [0.001]        | [0.001]        | [0.001]        |
| Religious                             | 0.009          | 0.009          | 0.011*         |
|                                       | [0.006]        | [0.006]        | [0.006]        |
| Ethnic minority                       | 0.264***       | 0.265***       | 0.231***       |
|                                       | [0.076]        | [0.076]        | [0.069]        |
| Permanent contract                    | -0.123***      | -0.122***      | -0.097**       |
|                                       | [0.043]        | [0.043]        | [0.041]        |
| Unemployment experience               | 0.247***       | 0.247***       | 0.250***       |
|                                       | [0.036]        | [0.036]        | [0.035]        |
| Perceived income                      | 0.153***       | 0.154***       | 0.175***       |
|                                       | [0.024]        | [0.024]        | [0.023]        |
| Employment insecurity                 | 0.072          | 0.184***       | 0.512***       |
|                                       | [0.130]        | [0.064]        | [0.141]        |
| GDP per capita                        | 0              | 0.004          | 0              |
|                                       | [0.005]        | [0.004]        | [0.005]        |
| EPL (permanent)                       | 0.248          |                |                |
|                                       | [0.311]        |                |                |
| EPL (permanent)*Employment insecurity | -0.001         |                |                |
|                                       | [0.055]        |                |                |
| EPL (temporary)                       |                | 0.481***       |                |
|                                       |                | [0.129]        |                |
| EPL (temporary)*Employment insecurity |                | -0.052**       |                |
|                                       |                | [0.025]        |                |
| URR                                   |                |                | 1.932          |
|                                       |                |                | [1.308]        |
| URR*Employment insecurity             |                |                | -0.736***      |
|                                       |                |                | [0.238]        |
| Constant                              | 5.404***       | 4.473***       | 4.851***       |
|                                       | [0.881]        | [0.555]        | [0.743]        |
| N observations                        | 16580          | 16580          | 18871          |
| N countries                           | 21             | 21             | 24             |
| Log-likelihood                        | -35336         | -35331         | -40622         |

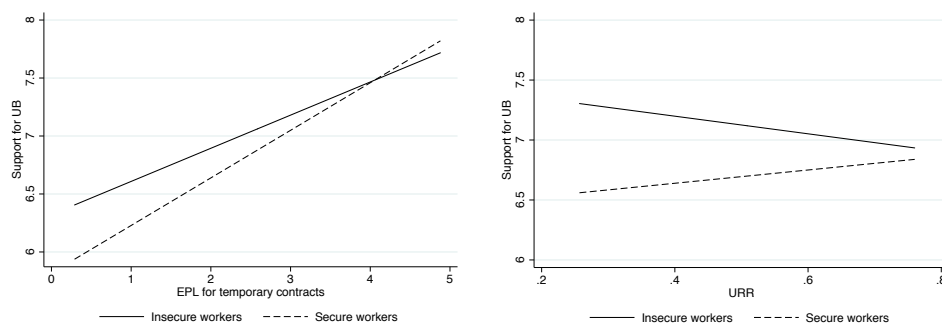
Notes:

Standard errors in parentheses

\* p&lt;0.1, \* p&lt;0.05, \*\* p&lt;0.01, \*\*\* p&lt;0.001



Figure 3.2. Illustration of cross-level interactions with EPL (for temporary contracts) and URR.



Thus, we can reject the idea that EPL is associated with greater division of interests and stronger polarization of attitudes between subjectively secure and insecure workers. Instead, EPL for temporary contracts is associated with more support for UB, and the attitudes between risk groups are less polarized. One possible explanation for this is that EPL for temporary workers is an indicator of the rigidity of the labor market. When temporary contracts are more regulated, employers are less likely to hire, resulting in a restricted flow from unemployment to employment (Boeri et al., 2004). The latter, however, might create insecurity about the future among both secure and insecure workers, as returning to the labor market is more difficult. The comprehensive support for UB may suggest that unemployment is universally interpreted as a severe consequence, which requires more state involvement. Protection of temporary contracts could also be seen as a reflection of a national culture of solidarity towards the weaker members of the labor market. This culture of solidarity might result in stronger norms of public responsibility and make it more likely for people to support unemployment benefits.

At first sight, the URR is not associated with support for UB; the main effect of URRs is non-significant (Model 3). There is a significant negative cross-level interaction effect between URR and employment insecurity, however. The negative interaction effect indicates that with generous benefits, the attitudes of subjectively secure and insecure workers are less polarized. An illustration of this convergence of attitudes is presented on the right-hand side of Figure 3.2. Further analysis showed that, while not significant, the coefficient of URR is positive for subjectively secure workers and negative for insecure workers (the results are not presented here but are available upon request from author). Consequently, the theory that generous URR creates worries about fiscal burden and divides the interests of secure workers does not seem to hold. In fact, generous benefits do not cause secure workers to withdraw support for public UB. This suggests that notwithstanding their own unemployment risk, secure workers subscribe to the idea that maintaining social protection is important. In the case of insecure workers, there is a slight trend towards less support for UB, as it is likely the existing level of benefits is already sufficient for engendering feelings of

security. Overall, we have partial support for Hypothesis 2 according to which both EPL and URR bring the attitudes of subjectively secure and insecure workers closer together (we say partial support because EPL for regular workers does not have any effect on support for UB).

### **3.5.3. Robustness checks**

Research has shown that with a low number of level 2 units, estimates of cross-national multilevel analyses are highly susceptible to influential cases (Van der Meer et al., 2010). We found that the following level 2 units have a Cook's D (standardized average squared difference between the estimates with and without a particular level 2 unit) above the cut-off value: Czech Republic, Sweden, Finland, Hungary, The Netherlands and Estonia. Since many countries exceed the limit, we ran fixed-effects analysis to test the robustness of the cross-level interaction effects we demonstrated before. Fixed-effects analysis is completed by including dummies of N-1 countries into the model and then interacting EPL or URR with employment insecurity (Möhring, 2012). The additional benefit of the fixed-effects model is that we can control for country-level heterogeneity. It appears that the negative cross-level interaction effects remain the same as we demonstrated in Table 3.2; this assures us that the cross-level interaction effects found previously are indeed robust (the results are not presented here but are available upon request from authors; the same applies for all the following robustness tests).

One of the crucial problems in our analysis is endogeneity, which means that there could be other omitted country-level characteristics that drive the effects. We already included countries' wealth in our previous models to account for some societal differences. Without going deeply into a theoretical discussion, we acknowledge that additional societal conditions may drive the effects of labor policies. While it is impossible to completely eliminate the problem of endogeneity, we ran models controlling for different societal factors, such as governmental spending on passive UB, labor market flexibility (percentage of total number of dependent employees with a contract of limited duration), KOF globalization index, unemployment rate, long-term unemployment rate and poverty rate among the unemployed. It appears that none of these factors alters our main findings.

Another potentially problematic issue is that we captured the level of UB in a society as an URR for a stylized average production worker (Van Vliet and Caminada, 2012). In order to guarantee the consistency of the findings with alternative measures of governmental welfare effort, we ran models with the following variables: welfare expenditure (as a percentage of GDP), public expenditure on passive UB, and spending on passive UB as a proportion of total social spending. We found that in societies with greater welfare effort aimed at the unemployed, the attitudes of secure and insecure workers converge. This confirms the findings from our measure of URR for an average production worker.

Finally, one could argue that our decision to focus only on those who are employed results in a biased sample. Especially considering the survey was conducted at the onset of

the 2008 economic crisis, it is possible that in some countries the most peripheral workers were already outside the labor market (and thus not included in the sample). In countries with more favorable labor market conditions (before massive lay-offs started), this peripheral group might still be working and thus be represented in the sample. As a robustness test, we reanalyzed our models with data including not only those who are currently employed but also those who were not engaged in the labor market at the time of the survey (excluded were people who never worked, no longer worked and were not looking for a job). This increased the sample size by over 4000 cases. Since the findings remain the same, we are confident that the results are not biased by the restricted sample.

### **3.6. Discussion and conclusion**

Studies have shown a strong relationship between employment insecurity and support for welfare arrangements – the insecurely employed are generally more supportive of UB than the securely employed. The goal of our chapter was to investigate whether this relationship is moderated by societal context, namely, whether institutional employment and income protection increases or decreases the divide between secure and insecure workers. Employment insecurity has heretofore been measured via indirect indicators such as skill specificity, occupational unemployment rates, atypical employment, and so forth. In order to understand these indicators in terms of social security preferences, we need to take into account the awareness people have of the risks to their employment and their future. Thus, an important contribution of this chapter was to study perceived employment insecurity in particular. We make a distinction between subjectively secure and the subjectively insecure workers. In moderating societal conditions, we focused on two types of employment policies – EPL and UB reflected in URR.

Regarding the moderating effect of institutional conditions, we could infer conflicting hypotheses from the literature. The first proposition was that both employment protection and generous benefits encourage a polarization of preferences between secure and insecure workers. EPL has been argued to contribute to an unequal distribution of labor market risks (some workers are protected and others are very vulnerable), thereby potentially dividing the secure and insecure in their support for UB. Generous benefits, however, could result in concerns about the fiscal burden and foster opposition to the welfare state – especially among secure workers. Instead, we find support for the alternative hypothesis – in societies with high protection for temporary workers and in societies with generous URR, the polarization of attitudes between subjectively secure and insecure workers is smaller. Where temporary contracts are more regulated, both secure and insecure workers are more supportive of UB, and the effect is stronger for secure workers. As we discussed earlier, protection of temporary contracts is known to contribute to the rigidity of the labor market, by increasing the cost of employing temporary workers and restricting movement within the market. This is likely to promote long-term unemployment and greater difficulty in

returning to the labor market. Thus, notwithstanding the perceived likelihood of becoming unemployed, anxieties about the consequences of unemployment might increase among a wider population; this could explain why we find more widespread support for public UB. As an alternative explanation, protection of temporary contracts could also be seen as a reflection of a national culture of solidarity towards the weaker members of the labor market, which could, in turn, promote more widespread support for UB. Interestingly, EPL for regular workers neither divides nor unites workers. So once again, the idea that EPL protects the secure and takes away their incentive to contribute to UB is rejected.

Furthermore, we can conclude that generous benefits, instead of fostering conflict between different interest groups over the fiscal burden, united secure and insecure workers. This suggests that subjectively secure workers are not particularly concerned about the fiscal burden caused by generous UB. This could be explained by the national culture of solidarity: in societies where social benefits are already generous, the secure might subscribe more strongly to the idea that social protection is important to a society and is worth sustaining. Overall, we can conclude that in societies with greater employment and income protection, the attitudes of secure and insecure workers are more united. A smaller gap in preferences suggests that employed people in a society are more in agreement with one another and are better able to arrange welfare for the unemployed.

It has been suggested in the literature that EPL and UB are functional equivalents in terms of providing security for workers either in terms of job protection or income protection. Previous research has shown that job protection does not necessarily make workers feel secure. In this chapter, we find additional evidence to support this. Even if people feel relatively secure about their short-term job security, the rigidity of the labor market probably makes workers cautious about long-term prospects. Protection of temporary work arrangements, which reduces the likelihood of employers to hire people with flexible contracts, appears to be particularly influential in triggering higher levels of support for UB, even among workers who feel secure about their short-term employment prospects. Marx (2014) shows that negative expectations about future employment are particularly important in explaining why workers support redistribution. We believe that employability perceptions, coupled with greater challenges in finding employment might explain why workers in more stringent EPL societies feel more supportive of UB, despite their level of employment insecurity. Indeed, policies that provide income security might be preferable to employment protection institutions, which only secure current jobs. Policymakers who attempt to use employment protection as an equivalent of unemployment insurance may witness a rising demand for passive UB. However, at the same time, the findings also suggest that people are more supportive of public unemployment benefits in societies with more welfare state effort, meaning there could also be a feedback effect of the national culture of solidarity.





## Chapter 4. **Income inequality and status-seeking**

A version of this chapter is submitted for publication by Paskov, M., Gërxhani, K., and Van de Werfhorst, H.G.

**Abstract**

The objective of this chapter is to study status-seeking, defined as pursuit for elevated social status, and how it relates to income inequality. Based on the literature suggesting that in unequal societies people are more concerned about their position in the social hierarchy, we hypothesize that people will also be more eager to attain enhanced social status in the eyes of others. To test this hypothesis we use repeated cross-sectional data from the European Social Survey (ESS), which was collected biannually from 2002 to 2012. With this data we complement existing studies by focusing on both between- and within-country over-time variability in income inequality and status-seeking. The findings show that as inequality increases – especially inequality at the top – people are more concerned about social status in the eyes of others. The pattern is most apparent for men of lower status groups, which suggests that rising inequalities may generate a potential discrepancy between the desire for status and the opportunity to achieve it.



## 4.1. Introduction

Social status-seeking – broadly defined as individuals desire for a higher relative standing in the social hierarchy in terms of esteem, respect and influence – is identified as one of the core human values (Lindenberg, 2001; Schwartz, 1992). As reported in Anderson et al. (2012), people care about social status because high social status is typically associated with various (non)material benefits, e.g., greater autonomy and control (Berger, Rosenholtz, and Zelditch, 1980), more material resources (Savin-Williams, 1979), higher self-esteem (Rawls, 1972; Weber, 1968 [1922]), and more esteem and respect in the eyes of others (Sherif, White, and Harvey, 1955). An important feature of social status is that it is based on other people's subjective evaluations of where someone ranks in the social hierarchy (Berger, Cohen, and Zelditch, 1972). Hence, status-seeking means that people's pursuit of higher standing needs to be 'socially visible' (Heffetz and Frank, 2008). While scientific interest in status-seeking and status concerns has increased in recent decades (De Botton, 2004; Frank, 1999; Heffetz and Frank, 2008; Marmot, 2004; Wilkinson and Pickett, 2010; Willer, Feinberg, Simpson, and Flynn, 2013), empirical evidence remains scarce. The first objective of this chapter is to discuss and empirically capture status-seeking in terms of heightened desire for admiration, recognition and respect in the eyes of others.

We make a contribution to the literature by studying status-seeking in an international comparative perspective. In light of the rising income inequalities that many welfare states have witnessed since the 1980s (OECD, 2009; OECD, 2011), a widespread debate on the consequences of inequality has emerged. One rather influential idea is that income inequality intensifies social hierarchies, causing people to become increasingly worried about their relative position in the status hierarchy (Wilkinson and Pickett, 2010). Increasing status concern is argued to be the underlying cause behind unequal societies faring 'worse', for instance in terms of crime (Elgar and Aitken, 2010) or population health (Wilkinson and Pickett, 2010). Although much research has been conducted on the relationship between inequality and societal outcomes, international comparative studies on status concerns or status-seeking are limited (for exceptions, see Layte and Whelan, 2014; Loughnan, Kuppens, Allik, Balazs, de Lemus, Dumont, Gargurevich, Hidegkuti, Leidner, Matos, Park, Realo, Shi, Sojo, Tong, Vaes, Verduyn, Yeung, and Haslam, 2011). The second objective of this chapter is to contribute to this literature by studying the relationship between income inequality and status-seeking. We aim to ascertain whether people in unequal societies are more inclined towards status-seeking in terms of heightened desire for admiration, recognition and respect from others. In doing so we take into account differences in the relationship between inequality and status-seeking by examining individuals' attributes and socio-economic position.

A third and final objective of the chapter is to make an empirical contribution by using repeated cross-sectional data with variable levels of different inequality measures within countries. Most previous research on the relationship between inequality and

societal outcomes is based on cross-sectional data. Furthermore, much of the empirical examination of status-seeking is based on small, artificially-constructed groups observed in laboratory settings (Ball, Eckel, Grossman, and Zame, 2001; Flynn, Reagans, Amanatullah, and Ames, 2006; Heffetz and Frank, 2008; Willer et al., 2013). In this chapter we gain a better understanding of status-seeking in the 'real world' by using survey data. We combine individual level, biannual data from six waves of the European Social Survey (ESS) ranging from 2002 until 2012. The repeated cross-sectional data provide the opportunity to examine the relationships between our variables of interest both across countries and within the same country over time. On the one hand, this chapter will contribute to the discussion on whether status-seeking differs between countries and whether cross-national variation in status-seeking can be related to income inequality. On the other hand, we also study the relationship in a within-country, over-time context, which advantageously eliminates the problem of between-country heterogeneity. Therefore we follow a suggestion of Kenworthy and McCall (2008) who argue that a preferred test of the effect of income inequality on societal outcomes is to look at change over time within countries. Adversely, the within-country analysis ignores the possible causal relationship between status-seeking and the stable differences in inequality that can exist between countries; it also relies on few observations. In light of these methodological considerations, results based on both approaches will be discussed.

## **4.2. Social status and social status-seeking**

In a broad sense, social status refers to one's relative standing in the social hierarchy (De Botton, 2004; Weiss and Fershtman, 1998). In the literature, a distinction is made between the concept of status as rank and status as respect (see Anderson et al., 2012). Status rank refers to a ranking or zero-sum variable of status that purports if one person in a group has status (i.e., influence and power), the others have less of it (Blau, 1955; Homans, 1950). Status as respect is defined as a non-zero-sum variable of respect and recognition from others that all or none can have. Desire for status as respect is individually determined in relation to others (i.e., the extent to which respect and recognition from others is important to oneself), whereas 'an individual's status rank in a group is a product of the group's collective judgments' (Anderson et al. 2012: 1078). Anderson and colleagues also argue that although the two types can be correlated, the preferences for either can differ. That is why in the present chapter we maintain this distinction and focus only on the concept of status as respect.<sup>10</sup> The main reason for doing so is empirical as we only have information on individuals' desire for more respect and recognition from others (more details will be provided in the data section). More specifically, we look at social status as an individual's relative standing based on prestige, honor and deference (Berger et al., 1972). As Chan

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<sup>10</sup> Note that henceforth, when discussing our measure of status-seeking, we refer to the pursuit of status as respect.

and Goldthorpe (2007) also note, social status is different than socioeconomic position or social class. The particular dimension of social status is the social ‘honor’ it entails (Chan and Goldthorpe, 2007; Jasso, 2001; Weber, 1968 [1922]).<sup>11</sup> This implies that one’s social status is determined by how her positional and ascribed attributes are evaluated by others (Coleman, 1990; Weiss and Fershtman, 1998). Hence, individuals in pursuit of status essentially seek affirmation from others that they are capable and successful human beings (Wilkinson and Pickett, 2006). According to Rawls (1972), self-respect, self-esteem or a sense of one’s worth is, alongside rights and liberties, money and other material goods, one of the necessary preconditions of a citizen’s pursuit of a good life.

In several studies, status-seeking is related to status concerns by examining the level of importance people place on being valued in a society according to certain criteria (Flynn et al., 2006; Willer et al., 2013). Status concern is however a broader concept that could also refer to ‘concern’ and ‘anxiety’ about social status.<sup>12</sup> Empirical research on status concerns is scarce. A few examples of studies exist where status concern is captured in terms of people’s estimation of how much they feel valued or devalued in a society. Both low self-esteem (feeling inferior about one’s social status) (Layte and Whelan, 2014) and inflated self-esteem (feeling superior about one’s social status) (Loughnan et al., 2011) are seen as expressions of status concerns. In this chapter, we look at status concern similarly to Flynn et al. (2006) and Willer et al. (2013) who study desire for status in terms of pursuit for enhanced social position in the eyes of others. In particular, we examine status-seeking in terms of desire for respect, admiration and recognition from other people. Past research has shown that desire for social status predicts status-seeking behavior (Flynn et al., 2006; Willer et al., 2013).

Two main arguments have been put forward in relation to social status-seeking and its consequences. On the one hand, desire for social status may inspire achievement orientation motives. Because having a high status is perceived as entailing more favorable treatment, status-seeking individuals may work harder and invest more in their human capital (De Botton, 2004; Parsons, 1970; Weiss and Fershtman, 1998). Furthermore, to the extent that parents care about the status of their children, they will be more inclined to invest in their children’s education and development (Weiss and Fershtman, 1998). These investments are, in turn, likely to have positive societal consequences by increasing economic efficiency and growth rates (Weiss and Fershtman, 1998). On the other hand, given that social status is relative, status-seeking individuals may try too hard and expend excessive effort in order to keep up. This, in turn, has been shown to have numerous negative consequences, including

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<sup>11</sup> Whereas Chan and Goldthorpe (2007) (following Weber 1968 [1922]) refer to social status in terms of ‘social honor’ attached to certain positional or ascribed attributes (e.g., occupational position, style of life in terms of cultural consumption, and so forth), Jasso (2001), for instance, refers to social status also in terms of personal qualities and perceived worth.

<sup>12</sup> For a detailed discussion of status concern (a.k.a status anxiety), see De Botton (2004), Frank (1999), Marmot (2004), Merton (1968), Wilkinson and Pickett (2010).

status anxiety (De Botton, 2004; Frank, 1999), stress and health problems (Dickerson and Kemeny, 2004; Slavich, Way, Eisenberger, and Taylor, 2010; White, Langer, Yariv, and Welch, 2006), reduced solidarity (Schwartz, 2010), unproductive consumption (Frank 1999), unproductive competitiveness (Frank, 1999; Levine, Frank, and Dijk, 2010), and delinquent behavior (Faris and Felmler, 2011; Wilkinson, 2004). In this way, status-seeking also diverts resources away from welfare-enhancing uses, wasting them from the point of view of society as a whole (Ball et al., 2001).

Against the backdrop of these positive and negative implications, it is important to understand the conditions under which people may vary in their desires for status. This chapter focuses on income inequality in a society, in particular, and how that relates to status-seeking, as discussed in the next section.

### **4.3. Income inequality and status-seeking**

Concerns about social status and desires for enhanced social position are likely to vary across individuals (Flynn et al., 2006; Willer et al., 2013) and societies (Wilkinson and Pickett, 2010). In recent years, the national level of income inequality has been named as a driver of status competition and worry regarding one's relative position in a society (Wilkinson and Pickett, 2010). Since the 1980s, economic inequalities have been on the rise in many developed countries (Nolan et al., 2014; OECD, 2009; OECD, 2011; Salverda et al., 2014). This has spurred a widespread debate on the nature of the societal consequences of inequality. This question has given rise to numerous studies that have found a negative relationship between economic inequality and societal outcomes including population health, crime rate, social trust, and happiness (for some examples, see Lynch et al., 2000; Solt, 2008; Van de Werfhorst and Salverda, 2012; Wilkinson and Pickett, 2010; Zhao, 2012). Wilkinson and Pickett (2010) argue that the relationship between income inequality and negative societal outcomes is essentially explained by the fact that inequality fosters status concerns and status anxiety (i.e., 'a worry that we are currently occupying too modest a rung or are about to fall to a lower one'; De Botton 2004: viii). From their perspective, income inequality is a measure of status hierarchy, as greater income inequality is associated with greater status stratification. Thus, by affecting the gap between the rich and the poor, income inequality also impacts upon the position of people in relation to one another. Given that social hierarchy is viewed as a hierarchy from the most-valued people at the top to the least-valued individuals at the bottom, greater income disparity is likely to contribute to status competition as well as concerns about one's relative position in the status hierarchy. Differences in economic standing also carry a strong message about superiority and inferiority, as the latter are closely related to dignity, respect and self-esteem (Wilkinson and Pickett, 2010). It is through this status concern and related psychosocial disadvantages that income inequality is argued to have various negative societal outcomes.

Furthermore, income inequality could also increase status concerns by affecting the distance from the reference group. According to Veblen (1931), people have the tendency to compare themselves to those higher in the hierarchy – the most advantaged individuals in a society set the standards for the rest. In fact, Veblen proposes that if the Joneses' are richer than a neighbor, they do not care about that neighbor's consumption; rather, they are attempting to keep up with an even richer reference group. In unequal societies, those who are higher are farther away, adding to the status concerns of the rest. Upward comparisons are considered to be more common and are more likely to be stressful (Leigh, Jencks, and Smeeding, 2011). Similarly, Ferrer-i-Carbonell (2005) shows that people become unhappy when they are poorer than their reference group. In addition, income inequality is likely to affect the moral mandate to achieve success, which in turn increases the pressure to succeed (Merton, 1968). If people compare themselves to those higher on the ladder, they may feel the need to achieve more to reach the same levels as the rich. Overall, the literature suggests that income inequality creates psychosocial disadvantages that are reflected in status concerns and an increased pressure to attain social status. Given that individuals are not homogenous in their desire for status (Flynn et al., 2006; Willer et al., 2013), we believe that the psychological disadvantages of income inequality will be experienced depending on whether status-seeking motives are present. In other words, the more importance an individual places on status-related aspects, the more concerned (s)he will be, which according to the literature occurs more frequently in unequal societies.

The idea that inequality fosters status concerns has been more often assumed than empirically tested. To date, only a few examples of research address this particular relationship. Loughnan et al. (2011) show that as income inequality increases, people are more likely to view themselves as superior to others. At the same time, people in more egalitarian societies tend to view themselves as more equal to others. Accordingly, self-promoting and self-enhancing strategies are seen as expressions of status concerns. Layte and Whelan (2014) find that income inequality is positively associated with the feeling of status inferiority and that this is consistent across income distribution. In more unequal societies, all individuals along the income continuum feel inferior about their social position. Zhao (2012) shows that income inequality is positively related to perceived social status, which may first appear as if people in unequal societies feel more confident about their social position. However, similarly to Loughnan et al. (2011), this can be explained by increased status concerns and the psychological need to enhance one's social status in an unequal context. In the same study, Zhao demonstrates that although individuals in more unequal regions in China tend to perceive they have a higher overall social status, a positive assessment of one's social position ironically yields lower returns to one's happiness compared to more equal regions. Therefore, with higher income inequality, higher perceived social status has a weaker positive effect on an individual's subjective well-being. This suggests that people in unequal contexts need more social status in order to feel satisfied.

In this chapter, we aim to contribute to this literature by studying whether income inequality increases desire for social status. Larger income inequalities would contribute to perceived status differences, because there is a close connection between relative income position and status comparisons of different social groups (Merton, 1968). People would then become increasingly concerned about their status in more unequal societies, making them more likely to review personal achievements in the context of evaluations of others. Thus, we predict that the larger the gap between income groups in a society, the greater the need to keep up and belong. This leads to the following hypothesis: income inequality is positively associated with status-seeking (Hypothesis 1).<sup>13</sup>

According to Wilkinson and Pickett (2010), one would expect the hierarchical nature of unequal societies to make everybody more status-seeking, notwithstanding individuals' own social position. However, it is also likely that the relationship between income inequality and status-seeking differs per an individual's attributes and socio-economic position. Regarding the latter, Robert Merton (1968) argues that inequality restricts opportunities to achieve success and attain social status, as the social rules of competition are biased towards the wealthy, and therefore those with fewer resources need to engage in greater efforts to attain status. From this perspective, unequal contexts are more positively associated with status-seeking among the lower status groups. Drawing on the idea that in unequal societies competition for status and resources is intensified (Davis and Moore, 1945; Guadalupe, 2007; Neckerman and Torche, 2007; Wilkinson and Pickett, 2010), differences can also be expected with respect to individuals' attributes. Niederle and Vesterlund (2007) show that men and women respond differently to competitive environments: men are more likely to embrace competition, while women are more likely to shy away when competition increases. Hence, one could expect that inequality is more positively associated with status-seeking behavior among men, and less so among women. Though studies on differences between inequality and status-seeking among demographic and socio-economic groups are limited, we have indicated the likelihood of some variation in importance given to status-seeking per gender and social position. It is thus an open question whether such a variation will be observed in the way income inequality relates to status-seeking. This study will provide a first empirical exploration.

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<sup>13</sup> We are cautious in using causal language since empirically we can only observe an association between income inequality and status-seeking. Theoretically, a reversed relationship is possible: societies characterized by a more status-seeking culture could produce higher levels of income inequality. Although we cannot provide a strict test of causality, we will later discuss how our within-country research design can be interpreted as a preliminary indication of the direction of the relationship (see the Discussion and conclusion section).

## 4.4. Methodology

### 4.4.1. Data

The data comes from the European Social Survey (ESS). We combined all waves currently available, resulting in a dataset containing information from the following six years: 2002, 2004, 2006, 2008, 2010, and 2012. The sample consists of 28 countries in the European region. We restricted the sample to the population of those under the age of 65, as we were interested in status-seeking among people of working aged. Because not all countries have data for each year, we have a total of 132 country-years and 187,354 individuals nested in these country-years. In addition to the individual-level data, we used macro data on income inequality and wealth of a country. For the main analysis we obtained data for income inequality, as the Gini coefficient for each country-year, from the Standardized World Income Inequality Database (SWIID) (Solt, 2009a) and data on GDP per capita in PPS is from Eurostat (Eurostat, 2012). We matched each ESS survey round with Gini and GDP data accordingly (when Gini was not available for the year appropriate, then we took the closest Gini observation possible). As a robustness check, we also ran the analysis with alternative inequality measures attained from the OECD Income Distribution and Poverty Database and from the World Top Incomes Database (WTID).

### 4.4.2. Dependent variable

Status-seeking. Participants in the European Social Survey were presented with a list of different personality portraits and asked the following: ‘How much like you is this person?’<sup>14</sup>. These items were included in each round of the ESS survey and were part of the ‘Human Values Scale’, which was designed to classify respondents according to their basic value orientations (Schwartz, 1992). Three of the responding items come closest to the concept of status-seeking we focus on in this chapter:

- 1) It is important to her/him to get respect from others. She/he wants people to do what she/he says;
- 2) It is important to her/him to show her/his abilities. She/he wants people to admire what she/he does;
- 3) Being very successful is important to her/him. She/he hopes people will recognize her/his achievements.

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<sup>14</sup> The questions were asked in the form of Portrait Values Questionnaire (PVQ). This is designed to reduce the cognitive complexity of the items by introducing respondents to short verbal portraits of different people: the person’s goals, aspirations, or wishes that point implicitly to the importance of a single value (Schwartz, 1992). People are then asked to compare these portraits to themselves.

All three items were measured on a similar response scale, a 6-point asymmetric bipolar categorical scale (not like me at all, not like me, a little like me, somewhat like me, like me, very much like me). To equalize the weight of each item, the variables were combined using a standardized option. Combining the three items yields a scale with a Cronbach's alpha of 0.70. The resulting 'status-seeking index' is the dependent variable, as it is a more reliable and parsimonious means to capture the concept of status-seeking than using the items separately. What is important for this chapter is that all of the items capture a social-evaluative component, indicating people's desire to be recognized by others. It is this desire to excel in the eyes of others that distinguishes our index from a simple achievement orientation motivation. This index expresses individuals' desire for respect (1), admiration (2) and recognition (3) from other people.<sup>15</sup> Other studies have used a comparable measure of status-seeking, for instance, both Flynn et al. (2006) and Willer et al. (2013) use a 8-item scale, where respondents had to indicate their level of (dis)agreement with items such as: 'I want my peers to respect me and hold me in high esteem' and 'I would like to cultivate admiration of my peers'.<sup>16</sup> However, it is important to emphasize that each item in our status-seeking index consists of two clauses. While items (2) and (3) listed above are relatively coherent in referring to pursuit for admiration and recognition, item (1) could be interpreted as including two different concepts: 'It is important to her/him to get respect from others. She/he wants people to do what she/he says'. The first clause of the item clearly refers to respect, whereas the second clause could be interpreted as reference to power. In order to account for the fact that reference to power deviates from what this scale is intended to capture, we present the statistical models with both the two-item and three-item status-seeking scales.

#### 4.4.3. Independent variables

Income inequality. Our central explanatory variable is income inequality in a country. We used the Gini coefficient as a measure of income inequality. The Gini coefficient is a widely used measure that ranges from 0 (everyone has the same income) to 1 (one person owns all the income). It indicates the level of inequality across the entire income distribution of an area. We examined inequality on a national level because the literature suggests that people have a status identity relative to the country in which they reside (Wilkinson and Pickett, 2010). The Standardized World Income Inequality Database (SWIID) provides comparable Gini coefficients of net income inequality based on disposable household

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<sup>15</sup> Regarding the general validity of the human value measures included in ESS, Davidov, Schmidt, and Schwartz (2008: 440) conclude the following in one of their papers: "In spite of cultural differences, people in Europe appear to understand the meaning given to the values by their indicators in a similar manner". The authors further suggest that ESS human value measures can be used for both cross-time and cross-country comparison, making it particularly suitable for our purposes.

<sup>16</sup> See Flynn et al. (2006) and Willer et al. (2013) for a full list of items in a status-seeking scale.



income and is hence well-suited for cross-national research. We used the net income inequality, which is the income inequality after transfers; it is a preferred option because it also captures social expenditure. In order to capture the structure of inequality, we also investigated alternative inequality indicators reflected by income ratios and top income shares. More specifically, we incorporated disposable income decile ratios P90/P50 (i.e., the ratio of the upper bound value of the ninth decile to the median income) and P50/P10 (i.e., the ratio of median income to the upper bound value of the first decile) but also the top 10% and top 5% income shares.

Gender. Gender is captured with a dummy variable for men. In addition to models including both men and women, we also ran the statistical models separately for gender.

Socio-economic status. To capture socio-economic status, we use an International Socio-Economic Index (ISEI) of occupational status developed by Ganzeboom et al. (1992). This measure reflects both occupational education and income, and it is particularly well-suited for international comparisons. We use this indicator to study the effect of income inequality on status-seeking in different socio-economic groups. An alternative would be to use income as an indicator of socio-economic position. Unfortunately, the ESS dataset contains only information about household income and the proportion of missing values for the household income variable reaches 27%. The advantage of ISEI is that it reflects the socio-economic position of each individual and the proportion of missing cases is somewhat lower (18%).

#### **4.4.4. Control variables**

We also controlled for the following general socio-demographic factors to account for the possibility that the composition of the population might differ between countries and waves: age, religiousness, ethnic minority status, and unemployment status. Lastly, in order to take account of societal conditions, we controlled for the wealth of a country by including its GDP per capita in PPS.<sup>17</sup>

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<sup>17</sup> The volume index of GDP per capita in Purchasing Power Standards (PPS) is expressed in relation to the European Union (EU-27) average set to equal 100. If the index of a country is higher than 100, this country's level of GDP per capita is higher than the EU average and vice versa. Basic figures are expressed in PPS, i.e., a common currency that eliminates the differences in price levels between countries, allowing meaningful volume comparisons of GDP between countries. The index, calculated from PPS figures and expressed with respect to EU27 = 100, is intended for cross-country comparisons rather than for temporal comparison.

Table 4.1. Descriptive statistics of variables used in the analysis.

| Variable                   | Observations | Mean   | Std. Dev. | Minimum | Maximum |
|----------------------------|--------------|--------|-----------|---------|---------|
| Status-seeking             | 187354       | 3.90   | 1.06      | 1       | 6       |
| Gini                       | 187354       | 0.29   | 0.04      | 0.22    | 0.43    |
| P90/P50                    | 120751       | 1.87   | 0.21      | 1.5     | 2.5     |
| P50/P10                    | 120751       | 1.97   | 0.22      | 1.6     | 2.7     |
| Top 5% income share        | 72851        | 21.43  | 3.57      | 15.95   | 30.77   |
| Top10% income share        | 79803        | 32.37  | 4.21      | 25.44   | 42.61   |
| GDP per capita             | 187354       | 104.18 | 34.58     | 38      | 253     |
| ISEI socio-economic status | 167027       | 0.50   | 0.29      | 0.01    | 1       |
| Men                        | 187275       | 0.47   | 0.50      | 0       | 1       |
| Age                        | 187354       | 41.28  | 13.40     | 17      | 64      |
| Religiousness              | 185910       | 4.53   | 2.96      | 0       | 10      |
| Ethnic minority status     | 184836       | 0.05   | 0.23      | 0       | 1       |
| Unemployment status        | 187354       | 0.09   | 0.28      | 0       | 1       |

#### 4.4.5. Estimation strategy

The dataset consists of individuals who were interviewed in different countries in Europe at different points in time (2002, 2004, 2006, 2008, 2010 and 2012). The advantage of having individuals observed in different countries and years is that we can study the relationship between income inequality and status-seeking both between and within countries. We estimated two types of multilevel models to study the relationship between income inequality and status-seeking. Multilevel models were desirable because they allowed us to include individual-level and aggregate-level predictor variables.

First, we estimated two cross-classified multilevel models, in which individuals (identified by subscript (i)) were nested in two higher-level contexts, country (j) and survey year (t) (equation 1). The response variable is the level of status-seeking of individual i in country j in survey year t. The level of status-seeking is a function of individual's socio-economic status measured with an ISEI index (ISEI), income inequality (GINI) and GDP per capita (GDP), supplemented with the interaction effect between income inequality and occupational status (GINI\*ISEI). Because these two contexts (survey year and country) are not nested among themselves, the cross-classified multilevel model specifies residual variances for both levels separately ( $\zeta_j$  for between-country variance and  $\xi_t$  for between-survey year variance). Whereas standard multilevel models for nested levels 2 and 3 would estimate the variance at a level 2 within level 3, the cross-classified multilevel model for un-nested levels 2 and 3 estimates a residual variance at level 2 assuming that this variance is equal across units of level 3 and vice versa (Rabe-Hesketh and Skrondal, 2008). Given the short time span

of investigation, much of the variability in income inequality is found between countries rather than within countries. The model therefore suffers from similar weaknesses as cross-sectional analyses on inequality effects because it is uncertain whether inequality or some other omitted country characteristic drives the population's status-seeking. Statistical model 1 and 2 follow this model identification (Model 2 with an interaction between Gini and ISEI).

$$y_{ijt} = \alpha + \beta \cdot ISEI_{ijt} + \gamma \cdot GINI_{jt} + \lambda \cdot GDP_{jt} + \delta \cdot GINI_{jt} \cdot ISEI_{ijt} + \zeta_j + \xi_t + \varepsilon_{ijt} \quad (1)$$

The second type of model, given in equation 2, delivers the strongest test of an inequality effect, as it includes both an inequality measure at the aggregate (country-year) level and fixed effects for country (country dummies CD) and survey year (year dummies YD). The model can be identified because the number of observations on which contextual variables were assessed is larger than the sum of the number of fixed effects included. Given that all invariant country characteristics were controlled and general time trends were invariant across countries, the identification of the effect of income inequality rests on within-country variability in inequality levels. We refer to this model as the within-country comparison model. Statistical model 3 and 4 follow this model identification (Model 4 with an interaction between Gini and ISEI). An important benefit of this approach is that it eliminated the problem of between-country heterogeneity. For instance, countries may differ in terms of social desirability: in some societies people may be more reluctant or more embarrassed to express desire for status to the interviewer. We do not have to worry about such differences between countries in the within-country, over-time analysis. While the country and year fixed effects analysis could be seen as a stronger test of causality, the disadvantage of this approach is that it suppresses differences between countries (the level effects). Thus, in this type of analysis we are exclusively looking at changes in the variables of interest within countries, without considering the original levels. This is potentially problematic as the level of income inequality might be related to the level of status-seeking even if both do not change much over time.

$$y_{ijt} = \alpha + \beta \cdot ISEI_{ijt} + \gamma \cdot GINI_{jt} + \lambda \cdot GDP_{jt} + \delta \cdot GINI_{jt} \cdot ISEI_{ijt} + \varphi \cdot CD_j + \tau \cdot YD_t + \zeta_{jt} + \varepsilon_{ijt} \quad (2)$$

## 4.5. Results

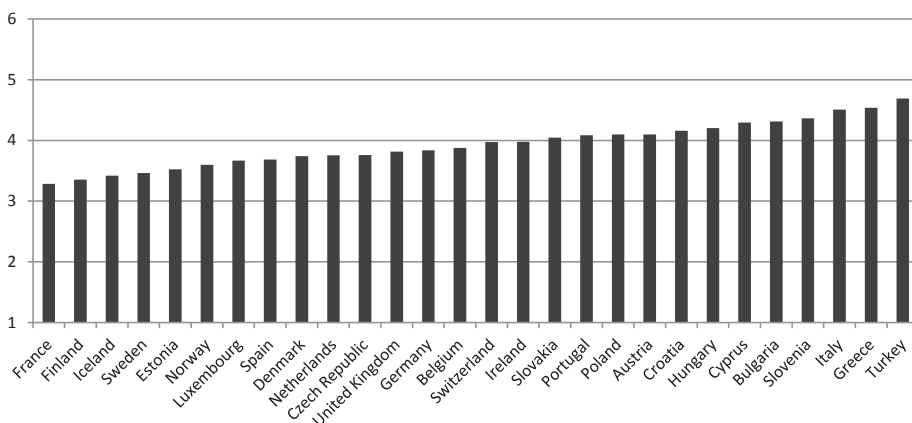
### 4.5.1. Status-seeking in Europe: descriptive statistics

First, we examined status-seeking in terms of aggregate differences between countries (Figure 1). Note that each bar in Figure 4.1 represents an average score of the five time points collected biannually between 2002 and 2012. The scale of status-seeking ranges from 1 to 6, with lower scores suggesting that people do not find status very important and higher scores reflecting that people care about their social position in the eyes of others. It appears that countries differ in the extent to which the population, on average, finds

social status important. The average scores range from 3.28 for France to 4.69 for Turkey. Broadly speaking, people in countries such as Turkey, Greece and Italy display a much higher score on the status-seeking scale, whereas people in France, Finland, Iceland and Sweden clearly find it less important to receive respect and recognition from others. The difference between the country with the highest score and the country with the lowest score is 1.4 points, suggesting that there is some variance between countries. While various explanations could account for cross-country differences in the amount people care about status-seeking (e.g., culture, religion, social desirability), the aim of this chapter is to study the relationship between the latter and income inequality.

Furthermore, we believe that the observed differences between countries imply that our measure does not capture pure achievement orientation but is a reflection of social-evaluative concerns. If the status-seeking index was purely measuring individual achievement orientation rather than the importance of social evaluation of achievements, we would expect our measure to display high scores in United Kingdom, being a society in which individual achievements are key in the legitimation of inequalities, or in Scandinavian countries, where educational achievement is so strongly meritocratic that achievement, rather than ‘ascription’ is considered a legitimate channel of distribution (Breen and Jonsson, 2007; Corneo, 2011). Instead, we find the highest scores in Southern Europe and Turkey. While status-seeking is likely to be positively associated with achievement orientation, we believe that the survey items work well in capturing social-evaluative concerns.

Figure 4.1. Status-seeking in Europe, mean scores per country, 2002-2012



Averages reveal general differences between countries. However, to gain greater knowledge of the prevalence of status-seeking, it is also worthwhile examining the percentages of people who report identification with different items in the status-seeking

index (see Table 4.2). It appears that, on average, slightly over one-third of Europeans under the age of 65 feel that people who attach importance to receiving status from others (i.e., in terms of respect, admiration, and recognition) are ‘very much like me’ or ‘like me’ (and this holds equally to all items of the index). However, between countries, the proportions differ quite substantially. In Finland and Sweden, approximately every fifth person claims that social status is very important to him or her. Conversely, in Turkey two-thirds of the population feels that social status is highly relevant, implying that the Turkish are much more eager to seek social honor and respect from others. Large differences between countries confirm that status-seeking is indeed not equally valued across societies. For instance, southern European countries stand out with higher levels of desire for status and the Nordic countries with lower levels. The question we set to answer in this chapter is whether this variation is related to the level of income inequality in a country.

#### 4.5.2. The relationship between income inequality and status-seeking

To study the relationship between income inequality and status-seeking, we considered both the between-country and within-country over-time variability. We began by plotting the bivariate relationships between income inequality and status-seeking. First, we determined whether the level of status-seeking is associated with the levels of income inequality between countries (Figure 4.2). The figure depicts a positive relationship between income inequality and status-seeking at all time points under observation. In countries with more income inequality, there is a higher average level of status-seeking. Note that the sample of countries differs over the years and this largely explains why the strength of the relationship differs at certain points in time. For instance, Turkey and Greece score high on both status-seeking and income inequality, largely driving the steep gradient in 2004 and 2008. In 2006 both Turkey and Greece were missing in the sample and thus the figures at different points in time are not comparable and the relationship appears weaker. However, despite the sample differences, we observe a positive association between income inequality and status-seeking at all points in time under observation.

To examine the relationship between income inequality and status-seeking within countries over time, we determined whether *changes* in inequality are related to changes in status-seeking. Figure 4.3 provides an illustration of the data available to us, as it plots income inequality against status-seeking (status-seeking is a mean score at the time of the observation) in each country. In total, 28 countries were observed at different points in time, allowing us to detect time trends. Note that each observation is marked with a number that refers to a survey wave: 1 (2002), 2 (2004), 3 (2006), 4 (2008), 5 (2010), 6 (2012). Not all countries were observed at all six points in time. For three countries, Iceland, Italy and Luxembourg, we cannot determine any trends because they were observed on only one occasion. For the countries that were measured at multiple points in time, the trends indicate different directions: positive and negative change. However, it is important to note that the scales on both the vertical and the horizontal axes of these plots are not the same

across countries because that would make the plots unreadable; the observations within countries would be strongly clustered together. Therefore, we have to be careful not to draw erroneous inferences based on a comparison of slopes across countries; substantially these slopes are very small since not many changes occur across countries over time.

Table 4.2. Percentage of people who state that a person attaching importance to a particular social status characteristic is ‘very much like me’ or ‘like me’.

|                  | Respect/power | Show abilities/get admiration | Success/recognition | Country average |
|------------------|---------------|-------------------------------|---------------------|-----------------|
| Finland          | 15            | 19                            | 23                  | 19              |
| Sweden           | 22            | 26                            | 18                  | 22              |
| France           | 24            | 30                            | 17                  | 23              |
| Iceland          | 24            | 26                            | 22                  | 24              |
| Norway           | 27            | 23                            | 28                  | 26              |
| Estonia          | 20            | 27                            | 34                  | 27              |
| Netherlands      | 22            | 30                            | 30                  | 27              |
| Denmark          | 32            | 28                            | 35                  | 32              |
| Czech Republic   | 35            | 25                            | 35                  | 32              |
| Spain            | 36            | 34                            | 29                  | 33              |
| Belgium          | 31            | 39                            | 35                  | 35              |
| Germany          | 31            | 31                            | 44                  | 35              |
| Luxembourg       | 32            | 36                            | 36                  | 35              |
| United Kingdom   | 32            | 45                            | 34                  | 37              |
| Portugal         | 36            | 40                            | 34                  | 37              |
| Slovakia         | 36            | 43                            | 36                  | 38              |
| Switzerland      | 45            | 40                            | 35                  | 40              |
| Austria          | 36            | 44                            | 43                  | 41              |
| Ireland          | 39            | 48                            | 38                  | 42              |
| Poland           | 47            | 42                            | 45                  | 44              |
| Hungary          | 38            | 57                            | 44                  | 47              |
| Croatia          | 51            | 43                            | 47                  | 47              |
| Cyprus           | 56            | 54                            | 51                  | 53              |
| Bulgaria         | 35            | 65                            | 62                  | 54              |
| Slovenia         | 51            | 57                            | 56                  | 55              |
| Italy            | 53            | 55                            | 63                  | 57              |
| Greece           | 65            | 60                            | 53                  | 59              |
| Turkey           | 71            | 61                            | 68                  | 67              |
| European average | 37            | 40                            | 39                  | 39              |

Note: Observations refer to an average score in the years 2002 to 2012. The separate items are part of our status-seeking index.

Figure 4.2. The relationship between the level of income inequality and the level of status-seeking between countries from 2002 to 2012.

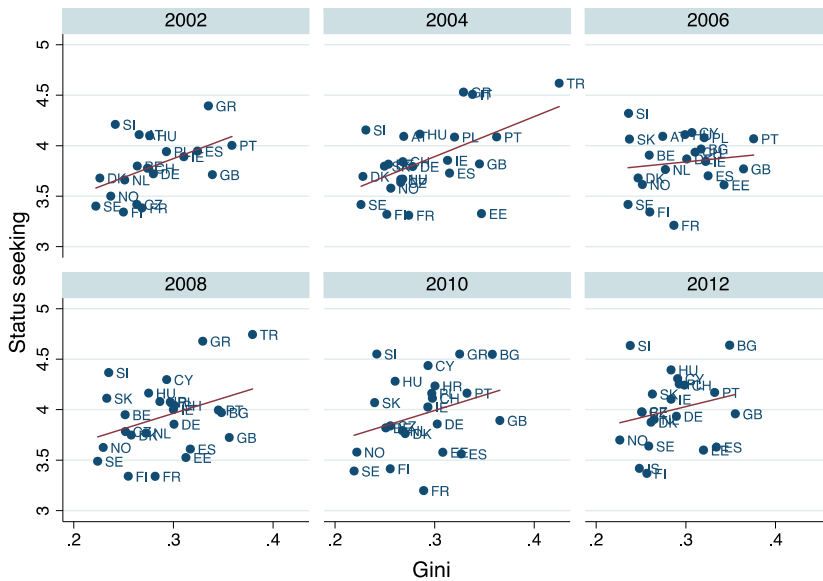
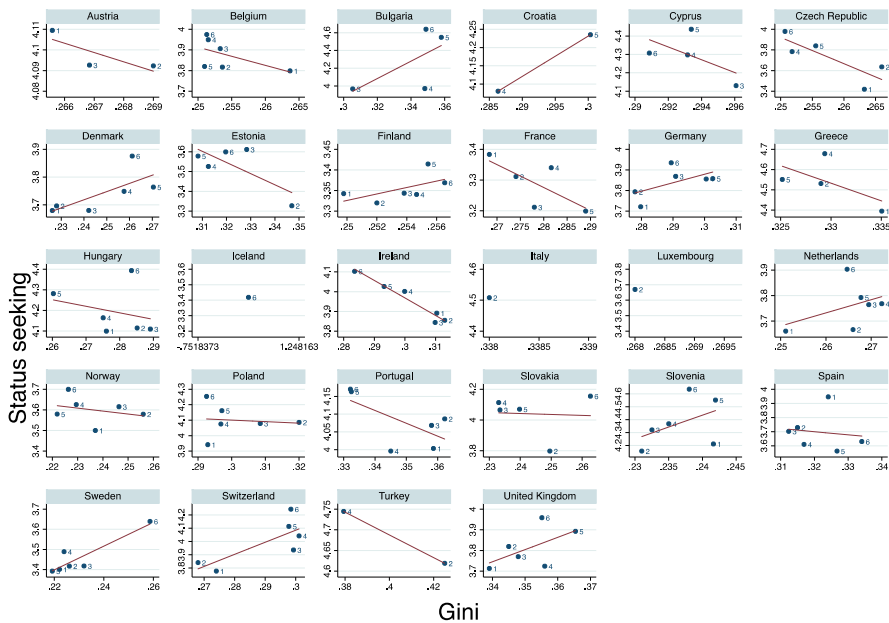


Figure 4.3. Income inequality and status-seeking in Europe.



Note: Observations refer to different points in time from 2002 to 2010; each dot is marked with a number which refers to a survey wave: 1 (2002), 2 (2004), 3 (2006), 4 (2008), 5 (2010), 6 (2012).

Neither of these sets of descriptive graphs, however, takes into account differences between countries, such as the wealth of the country or the socio-demographic composition in these societies (e.g., gender composition, employment position, socio-economic status etc.). This is another reason to observe these bivariate associations with some caution. Following our work with bivariate plots, we continued on with statistical models. In order to determine whether variance in status-seeking can be explained by differences between and within countries, we ran an empty cross-classified multilevel model. The empty model shows that almost 88% of the variance resides between individuals rather than between countries or at different points in time. This provides empirical support for the previous claim that individuals are not homogenous in their desire for social status. However, approximately 12% of the variance in status-seeking can be explained by the between-country differences. This is quite a substantial proportion and motivates further investigation into whether income inequality can explain some of this variance. In addition, the empty model reveals that a very small proportion of the variance, 0.006%, is found between years of measurement. This small variance suggests that few changes occurred over time. This is not surprising, as both income inequality and attitudes about social status take time to change. Furthermore, this implies that the results of the cross-classified model are strongly driven by between-country effects of inequality and only slightly driven by within-country differences.

Table 4.3 presents results that were attained using two different modeling techniques: cross-classified multilevel models and within-country comparison models. We present findings for not only the whole sample, but also for men and women separately. The cross-classified models looking at the full three-item status-seeking index (Model 1 to Model 3) consistently show that income inequality is positively associated with status-seeking. When turning to the within-country comparison models, which could be seen as a stricter test of the relationship, the positive association does not hold for women (Model 4 to Model 6). To account for the fact that the first clause of the first item in the original scale – the one referring to power – deviates somewhat from the general idea of status-seeking, we also present findings for a two-item scale including pursuit for admiration and recognition (items 2 and 3), and leaving out the respect/power item (item 1). Here, the gender difference becomes even more obvious: it appears that income inequality relates to increased status-seeking (i.e., admiration and recognition) among men, but not at all among women. This holds with both the cross-classified multilevel models and the within-country comparison models (Model 7 to Model 12). In addition to gender differences, our findings indicate another variation in the association between inequality and status-seeking: the positive association between inequality and status-seeking holds for both high- and low-status groups, but is particularly strong among people with a lower socio-economic position. This is indicated by the negative cross-level interaction effect between Gini index and occupational status (ISEI). This again holds true most consistently among men.

Overall, the more income inequality in a country, the stronger the desire is among men



and those in lower social status groups to be respected, admired and recognized by others.<sup>18</sup> The results differ for women, for whom it appears that inequality is positively associated with status-seeking in terms of desire for respect and power, but not in terms of striving for admiration and recognition. In fact, the coefficient for the latter items becomes negative. Additionally, the results show that the attitudes of different social status groups converge: the desire to attain status appears to be more widely accepted among men along different social strata. In a Mertonian sense this could be seen as a sign of status-seeking becoming an ‘established norm’ widely shared by all men in society (Merton, 1968). Overall, these are strong results as they are consistent in both between- and within-country analyses.

### **4.5.3. Results with alternative inequality measures**

We chose the Gini coefficient for our main analysis as it is the most widely available measure of income inequality. However, the Gini index might not capture the structure of inequality to the fullest (Ferrer-i-Carbonell and Ramos, 2013; Lupu and Pontusson, 2011). The particular structure of inequality might be crucial for determining status-seeking behavior. As an additional robustness check of our findings we re-ran the models for men only<sup>19</sup> and examined the relationship between income inequality and status-seeking (focusing on the three-item status-seeking index) using different income inequality measures. Unfortunately, alternative inequality measures were less widely available. We gathered information on earnings ratios from the OECD Income Distribution and Poverty database. The OECD data includes information for 25 countries but the observations over time are scarce. Thus, the number of country-years is reduced from 132 in the original analysis to 85 country-years. Additionally, from the World Top Incomes Database (WTID) we gathered statistics on the top 10% and top 5% income shares to capture upper levels of income concentration. Indicators for income shares are available for 11-12 countries only. The results are presented in Table 4.4. It appears that when looking at inequality between the top- and middle-income groups (P90/P50 ratio), the findings are more consistent with what we found in the original analysis using the Gini coefficient.

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<sup>18</sup> Without going deeply into a theoretical discussion, we acknowledged that additional societal conditions may be important to control for. To account for this, we ran additional tests on the cross-classified multilevel models focusing on the 3-item status-seeking index and men only. We included macro level controls for: social expenditure (as percentage of GDP), political ideology (aggregate score on a left-right scale, indicating a political inclination toward the left or right), general satisfaction with the economy in a country (aggregate score on a national level), and general satisfaction with how the democracy works in a country (aggregate score on a national level). The results show that none of these control variables substantially alter the relationship between income inequality and status-seeking: income inequality is positively associated with status-seeking among men and the association is stronger for lower-status men (results not presented here but available upon request from author).

<sup>19</sup> Note that here we focus only on men because the findings in Table 4.3 show that the relationship between inequality and status-seeking holds most consistently for men, whereas the findings for women are less straightforward.

Table 4.3. Models examining status-seeking in Europe, different methodological approaches.

|                                | Status-seeking 3 item index  |                      |                      |   |                      |                      | Status-seeking 2 item index  |                     |                     |   |                     |                     |
|--------------------------------|--|----------------------|----------------------|---|----------------------|----------------------|--|---------------------|---------------------|---|---------------------|---------------------|
|                                | Between- and within-country analysis: cross-classified multilevel models |                      |                      | Within-country analysis: country and year fixed effect models |                      |                      | Between- and within-country analysis: cross-classified multilevel models |                     |                     | Within-country analysis: country and year fixed effect models |                     |                     |
|                                | Model 1: All   | Model 2: Men         | Model 3: Women       | Model 4: All  | Model 5: Men         | Model 6: Women       | Model 7: All   | Model 8: Men        | Model 9: Women      | Model 10: All   | Model 11: Men       | Model 12: Women     |
| Gini                           | 0.930***<br>[0.192]  | 1.452***<br>[0.272]  | 0.592*<br>[0.267]    | 0.998+<br>[0.544]   | 1.504**<br>[0.575]   | 0.527<br>[0.588]     | 0.109<br>[0.210]   | 0.917**<br>[0.299]  | -0.426<br>[0.292]   | 0.038<br>[0.419]  | 0.790+<br>[0.488]   | -0.569<br>[0.464]   |
| Men                            | 0.127***<br>[0.004]  |                      |                      | 0.126***<br>[0.004]   |                      |                      | 0.133***<br>[0.004]  |                     |                     | 0.133***<br>[0.004]   |                     |                     |
| ISEI                           | 0.497***<br>[0.045]  | 0.522***<br>[0.065]  | 0.485***<br>[0.062]  | 0.500***<br>[0.044]   | 0.528***<br>[0.064]  | 0.495***<br>[0.062]  | 0.339***<br>[0.049]  | 0.378***<br>[0.071] | 0.324***<br>[0.068] | 0.339***<br>[0.049]   | 0.383***<br>[0.071] | 0.328***<br>[0.068] |
| Gini*ISEI                      | -0.879***<br>[0.154]   | -1.087***<br>[0.224] | -0.754***<br>[0.214] | -0.892***<br>[0.154]  | -1.107***<br>[0.224] | -0.789***<br>[0.213] | -0.259<br>[0.169]  | -0.557*<br>[0.246]  | -0.087<br>[0.234]   | -0.258<br>[0.169]   | -0.573*<br>[0.246]  | -0.101<br>[0.234]   |
| Control variables <sup>a</sup> | Yes  | Yes                  | Yes                  | Yes   | Yes                  | Yes                  | Yes  | Yes                 | Yes                 | Yes   | Yes                 | Yes                 |
| Country effect                 | Random   | Random               | Random               | Fixed   | Fixed                | Fixed                | Random   | Random              | Random              | Fixed   | Fixed               | Fixed               |
| Year effect                    | Random   | Random               | Random               | Fixed   | Fixed                | Fixed                | Random   | Random              | Random              | Fixed   | Fixed               | Fixed               |
| N individuals                  | 163819   | 78758                | 85061                | 163819  | 78758                | 85061                | 163735   | 78714               | 85021               | 163735  | 78714               | 85021               |
| N countries                    | 28   | 28                   | 28                   | 28  | 28                   | 28                   | 28   | 28                  | 28                  | 28  | 28                  | 28                  |
| N country-years                | 132  | 132                  | 132                  | 132   | 132                  | 132                  | 132  | 132                 | 132                 | 132   | 132                 | 132                 |
| Log-likelihood                 | -177697  | -84560               | -93057               | -177188   | -84300               | -92764               | -192706  | -91799              | -100830             | -192466   | -91639              | -100672             |
| AIC                            | 355421   | 169144               | 186137               | 354463  | 168685               | 185614               | 385439   | 183623              | 201685              | 385019  | 183363              | 201430              |
| BIC                            | 355551   | 169255               | 186250               | 354903  | 169084               | 186016               | 385569   | 183734              | 201797              | 385459  | 183762              | 201832              |

Notes: Standard errors in parentheses  
 \* p<0.1, \*\* p<0.05, \*\*\* p<0.01, \*\*\*\* p<0.001  
<sup>a</sup> Control variables include: GDP per capita, age, religiosity, ethnic minority status, unemployment status.

The coefficient of P90/P50 ratio is positive but not significant, whereas the cross-level interaction between P90/P50 and ISEI is significant, suggesting that lower-status men are more status-seeking in contexts where the distance between middle and top is larger. However, higher inequality between the middle- and the bottom-income groups (P50/P10 ratio) appears to be negatively associated with status-seeking among men. When we include both inequality at the top (P90/P50) and inequality at the bottom (P50/P10) in the model, we witness more clearly that inequality at the top increases desire for status while inequality at the bottom reduces it. Finally, the higher top 10% and top 5% income shares are related with higher levels of status-seeking and that holds particularly among the lower socio-economic groups, again suggesting that inequality at the top increases status-seeking. The findings remain substantially the same when we used a two-item status-seeking index (the results are not presented here but are available upon request from author). Overall, these additional findings provide some evidence that inequality at the top is more important for increasing desire for social status among men and lower status groups than inequality at the bottom. This is in accordance with the literature according to which inequality at the top is more noticeable and more stressful (Leigh et al., 2011; Veblen, 1931).

#### **4.6. Discussion and conclusion**

Interest in the role of income inequality in a range of different social processes has strengthened considerably in recent years, with a central question being whether income inequality has widespread consequences on societal outcomes (for some examples, see Lynch et al., 2000; Salverda et al., 2014; Solt, 2008; Van de Werfhorst and Salverda, 2012; Wilkinson and Pickett, 2010; Zhao, 2012). One of the debates is whether income inequality has psycho-social consequences: do people become more aware of status differences and does inequality lead to more status-seeking and status concerns? This chapter complements the existing literature by analyzing the relationship between income inequality and status-seeking. We investigated status-seeking as desire for elevated social position in terms of respect, admiration and recognition in the eyes of others. We argued that if income inequality intensifies concerns about social position, it does so because people place greater value on the respect, admiration and recognition they receive from others. We employed a methodologically unique approach by considering both the between- and within-country variance in income inequality and status-seeking. To our knowledge, we are the first to examine status-seeking from an international comparative perspective.

Based on our findings we can conclude that men living in countries with higher levels of income inequality are, on average, more status-seeking. In other words, in countries where incomes are unequally distributed men find it more important to gain respect, recognition and admiration from others. In more equal societies, men seem to care less about what others think of them. This result was consistent across the between-country variance analysis and the within-country variance analysis, which were applied as a stricter test of the relationship between income inequality and status-seeking.

Table 4.4. Models examining status-seeking (3-item index) among men in Europe using various inequality indicators; different methodological approaches.

|                           | Between- and within-country analysis:<br>cross-classified multilevel models |                      |                      |                      | Within-country analysis:<br>country and year fixed effect models |                     |                     |                     |
|---------------------------|---|----------------------|----------------------|----------------------|--|---------------------|---------------------|---------------------|
| P90/p50                   | 0.066<br>[0.069]  | 0.238**<br>[0.078]   | 0.075<br>[0.109]     | 0.237*<br>[0.116]    |  |                     |                     |                     |
| P90/p50*ISEI              | -0.285***<br>[0.055]  | -0.286***<br>[0.055] | -0.286***<br>[0.055] | -0.286***<br>[0.055] |  |                     |                     |                     |
| P50/p10                   | -0.108+<br>[0.056]  | -0.273***<br>[0.057] | -0.118<br>[0.085]    | -0.282**<br>[0.091]  |  |                     |                     |                     |
| P50/p10*ISEI              | -0.262***<br>[0.052]  |                      | -0.263***<br>[0.052] |                      |  |                     |                     |                     |
| Top 10% income share      |   | 0.017***<br>[0.004]  |                      | 0.016*<br>[0.008]    |  |                     |                     |                     |
| Top 10% income share*ISEI |   | -0.020***<br>[0.003] |                      | -0.020***<br>[0.003] |  |                     |                     |                     |
| Top 5% income share       |   | 0.023***<br>[0.005]  |                      | 0.023*<br>[0.010]    |  |                     |                     |                     |
| Top 5% income share*ISEI  |   | -0.024***<br>[0.004] |                      | -0.024***<br>[0.004] |  |                     |                     |                     |
| ISEI                      | 0.760***<br>[0.103]   | 0.745***<br>[0.103]  | 0.762***<br>[0.103]  | 0.762***<br>[0.103]  | 0.748***<br>[0.103]  | 0.762***<br>[0.103] | 0.861***<br>[0.102] | 0.729***<br>[0.083] |
| Country effect            | Random  | Random               | Fixed                | Fixed                | Fixed  | Fixed               | Fixed               | Fixed               |
| Year effect               | Random  | Random               | Fixed                | Fixed                | Fixed  | Fixed               | Fixed               | Fixed               |
| Control variables         | Yes   | Yes                  | Yes                  | Yes                  | Yes  | Yes                 | Yes                 | Yes                 |
| N individuals             | 50666   | 50666                | 50666                | 50666                | 50666  | 50666               | 35090               | 32276               |
| N countries               | 25  | 25                   | 25                   | 25                   | 25   | 25                  | 12                  | 11                  |
| N country-years           |   |                      | 85                   | 85                   | 85   | 85                  | 58                  | 53                  |
| Log-likelihood            | -54519  | -54509               | -54399               | -54395               | -54396   | -54395              | -38172              | -34862              |
| AIC                       | 109062  | 109042               | 108876               | 108869               | 108869   | 108869              | 76397               | 69775               |
| BIC                       | 109168  | 109148               | 109221               | 109214               | 109214   | 109223              | 76626               | 69993               |

Notes: Standard errors in parentheses. \* p<0.1, \* p<0.05, \*\* p<0.01, \*\*\* p<0.001  
<sup>a</sup> Control variables include: GDP per capita, age, religion, ethnic minority status, unemployment status.

Although we cannot prove the direction of causality, we adhere to the theory that unequal contexts create both greater awareness and concern about one's position in society, causing a heightened desire for competition to attain status in the eyes of others. Furthermore, we find a stronger effect for men with lower socio-economic position: men of lower status are more eager to attain social status in unequal contexts, and again, this holds both in a within- and between-country context. Thus, when inequality increases, lower-status men in particular attach more importance to their position in the eyes of others. Our results also show that status attainment becomes more established as an important goal among men from different social strata. Finally, we also demonstrated that it is inequality at the top, in particular, that is more positively related to status-seeking among men. When it comes to women, the inequality effects are different: we find that inequality is positively associated with desire for respect and power, but not with desire for admiration and recognition from others.

We have two explanations for why inequality effect could differ among social status groups, both of which are inspired by the work of Robert Merton (1968). First, income inequality restricts legitimate opportunities to achieve success and attain social status, as the social rules of competition are biased towards the wealthy. Merton argues that people who have fewer resources in an unequal context need to exercise greater efforts to attain status. This might explain why income inequality is related to heightened desire for status among the lower status groups in particular. Second, the convergence of attitudes among status groups could be an indication that unequal societies represent a cultural model in which men are expected to strive actively to move upward in the social hierarchy.<sup>20</sup> According to Merton, an important aspect of such an 'established cultural norm' is that it is internalized by the majority of the people irrespective of their actual socio-economic position. To explain why we find that inequality is related to heightened status-seeking among men and less so among women, we rely on studies arguing that unequal contexts are more competitive (Neckerman and Torche, 2007) and men seem to embrace this competitive environment, while women tend to shy away from competition (Niederle and Vesterlund, 2007). Finally, the finding that inequality at the top is more important for increasing desire for social status among men than inequality at the bottom is consistent with our earlier theoretical discussion that people are more likely to compare themselves to those higher up in the status hierarchy (Veblen, 1931) and that upward status comparisons are also more likely to increase stress and concern about own social ranking than downward status comparisons (Leigh et al., 2011). Also, Neckerman and Torche (2007) suggest that rising inequality at

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<sup>20</sup> While Merton (1968) often uses monetary success as an illustrative example of a strong cultural norm in the United States, he explains that people can strive for whatever constitutes 'success' in a particular society. In this chapter we test the idea that income inequality fosters desire for 'social status in the eyes of others'.

the top, in particular, might increase competition by raising prices for scarce goods and services for the affluent and limiting access and opportunities for everyone else. This could explain why desire for status increases when inequality at the top rises. Downward social comparisons are less common and less stressful, which could explain why inequality at the bottom is less likely to be positively related to status comparisons.

In future research, it would be interesting to study whether heightened status-seeking, especially among men and low status groups, has positive or negative implications. We propose two possible scenarios. First, that increased desire for status could give men from low status groups extra motivation to work hard in order to achieve success and attain recognition in an unequal society. Or, conversely, that low-status men might experience extra anxiety and stress in unequal societies because their actual social position does not correspond to their expectations about status and social esteem. Again referring to the work of Merton (1968), it is particularly problematic when an established 'cultural norm' such as the importance of attaining status, is coupled with a social structure that restricts modes of reaching these goals for a considerable portion of the population. People who internalize the notion that success and achievement are important but fail to achieve success in objective terms might feel defeated or left behind in the race for success. When personal goals and means to achieve these goals do not correspond, people are likely to experience stress and anxiety, and they could even be influenced into delinquent behavior and crime. This suggests that increased desire for status in unequal societies, particularly among men from the lower status groups, might have important societal implications. When it comes to women the implications are less straightforward. On the one hand, women desire more respect and power in unequal contexts, which might mean that aforementioned implications could also be relevant for women. On the other hand, the fact that desire to show abilities, to be successful and admired by others does not increase among women in unequal contexts might mean that they are either more shielded from status anxiety, or that women prefer not to be compared to others (Brandts, Gërkhani, and Schram, 2014). These gender differences in unequal contexts might have important consequences for gender inequality in the labor market (Niederle and Vesterlund, 2007).

Finally, some notes about the limitations of this study and some more avenues for future research. Although the within-country analysis strongly affirms the hypothesis that inequality is positively associated with status-seeking among men and lower occupational groups, it is important to realize that reversed causality is also possible. Though we are unable to test it, we can reason that in such a short time period, it is more conceivable that inequalities change attitudes rather than attitudes manage to manifest themselves in inequalities. Second, there could be more unobserved determinants that coincide with inequality and status-seeking. As a robustness check, we took a number of additional conditions into account (ranging from social policy to political ideology) and none substantially changed the main findings. It would also be worthwhile to test our hypothesis with alternative measures of status-

seeking. Therefore, key considerations for future research would be to exploit alternative measures of status-seeking, and to seek more advanced methods to deal with the problems of causality. The consequences of status-seeking, especially in societies providing limited means to reach status goals will be crucial to further investigations.





Chapter 5.  
**Are people living in egalitarian societies  
less eager to help others?  
Investigating the value and function of  
solidarity in (in)egalitarian contexts**

A version of this chapter was submitted for publication by Paskov, M.

**Abstract**

Research has shown that solidarity – willingness to contribute to the welfare of others– is often rewarded with social status. This can motivate status seekers (i.e., people interested in elevated position in the social hierarchy) to help others. However, the reputational gains resulting from helping others can differ across societies and alter the motivation of status seekers to act in the interests of others. Egalitarian contexts could either have a normative effect by promoting solidarity and strengthening the association between status-seeking and solidarity, or egalitarian contexts could have a crowding-out effect by undermining solidarity and weakening the association between status-seeking and solidarity. The current study investigates these issues using individual-level data (N=161 727) from the European Social Survey, which combines six waves of cross-sectional surveys collected in 27 countries from 2002 to 2012. The results show that both general eagerness to help others and the association between status-seeking and solidarity are weaker in egalitarian contexts. These findings suggest that informal solidarity is more important and is related to more reputational gains in inegalitarian contexts as compared to egalitarian contexts. The combination of between- and within-country over-time empirical evidence adds to the strength of these findings.

## 5.1. Introduction

The focus of this chapter is solidarity, which we define as a willingness to contribute to the welfare or well-being of others. We are interested in solidarity as an attitude embodied in individuals rather than solidarity in terms of social cohesion; the latter refers to a coherence or unity of a society and is more a characteristic of a group rather than an individual (De Beer and Koster, 2009; Durkheim, 1983 [1964]). Our concept of ‘solidarity’ can be equated with the concept of ‘prosociality’; both terms refer to attitudes and/or behavior assumed to be intentionally beneficial to others (Lindenberg, 2006).<sup>21</sup> An individual’s willingness to promote the welfare of others is often seen as a paradox in a social world where people are assumed or expected to have an inherently self-interested nature (Hobbes, 1651 [1996]). Numerous explanations as to what motivates or inhibits individual solidarity towards others have been proposed in the literature, including ideas that solidarity is motivated by a combination of altruistic concern for others coupled with considerations of self-interest (De Swaan, 1988; Hechter, 1987; Schokkaert, 2006; Van Oorschot, 2002). The latter implies that people are solidary partly because of functional utilities, which can yield a number of positive personal consequences, one of them being heightened social status (Olson, 1965; Schokkaert, 2006; Willer, 2009). Empirical evidence from laboratory settings confirms that being solidary can indeed assist individuals in gaining social status, respect and prestige in the eyes of others (Willer, 2009), and that such reputational gains are important for stimulating solidarity – particularly among people with a heightened desire for social status and reputation (Willer et al., 2013). Thereby, the literature points to an important mechanism that promotes solidarity – the combination of desire for status and reputational gains resulting from acting in the interests of others.

For the reputational gain mechanism to work, solidarity needs to be visible and considered meritorious by other people, that is, worthy of status and reputational reward. Research in laboratory settings has shown that desire for status is particularly important for determining solidarity in conditions where strategic self-presentation is possible or when solidarity leads to greater reputational gains (Willer et al., 2013). People appear to be less solidary when the capacity for strategic self-presentation is diminished by cognitive load or when contributions to the well-being of others are made anonymous. This suggests that status seekers, in particular, are likely to be more prosocial in conditions where reputational gains are higher. While laboratory settings are very useful for pinpointing causal relationships and investigating the underlying mechanisms, comparative studies of whole societies may provide insights that are not available in individual-based studies (Bowles, 1998). For example, comparative research can indicate whether certain macro societal conditions alter the reputational gains of solidarity. Herrmann, Thöni and Gächter (2008) demonstrate that

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<sup>21</sup> According to Lindenberg (2006), the two can be used interchangeably: ‘solidarity’ is a concept more commonly used by sociologists while ‘prosociality’ is more common among (social) psychologists and behavioral economists.

solidarity is not equally valued across societies, and prosocial actions are even punished in societies with weak rule of law and weak norms of civic cooperation. In societies where solidarity is not rewarded with status and social esteem, or is even punished, there is less incentive for people to engage in solidary action. The latter holds particularly true for status seekers who have been shown to withdraw from solidary action if there are no opportunities to be rewarded accordingly (Willer et al., 2013). By contrast, status seekers should be especially eager to express solidarity in societies where they can expect higher reputational gains or where there is more social pressure to be prosocial. As a general mechanism, we expect the reputational gains resulting from solidarity to depend on the extent to which solidarity is seen as important or acknowledged as a social norm in a particular context.

Social scientists have long been interested in the role of egalitarian versus inegalitarian contexts in promoting or hindering solidarity, and various theoretical mechanisms are put forward in the literature (Arts et al., 2003; Gërkhani and Koster, 2012; Kääriäinen and Lehtonen, 2006; Rothstein, 1998; Van der Meer, 2009; Van Oorschot and Arts, 2005). For example, it is argued that egalitarian contexts may have a normative effect by promoting solidarity and eagerness to help others (Mau, 2004; Rothstein, 1998; Svallfors, 2012; Titmuss, 1968). To the extent that solidarity is more strongly ingrained in egalitarian societies, there might also be more social pressure to act solidary in order to attain reputation and status in the eyes of others. This should result in a stronger positive association between status-seeking and solidarity in egalitarian contexts. However, egalitarian societies are often criticized for having adverse social and moral consequences in terms of crowding-out individuals' incentives to engage in social networks and informal caring relations (i.e., because help is already provided by the state) but are also recognized as having normative effects by promoting the idea that helping others is the task of the state and not of an individual (Van Oorschot and Arts, 2005). This could mean that egalitarian societies undermine solidarity in general, but also reduce its function in producing reputational gains, thereby weakening the association between status-seeking and solidarity.

There are three central objectives to this chapter. Our first objective is to test whether there is a positive association between status-seeking and solidarity beyond the laboratory by using survey data from various European countries over an extended time period. Our second objective is to study solidarity in egalitarian and inegalitarian contexts. Thirdly, our goal is to investigate whether the relationship between status-seeking and solidarity is different in egalitarian and inegalitarian contexts. In order to make a distinction between egalitarian and inegalitarian contexts we examine both distributional and institutional factors reflected in income inequality and welfare state effort. Egalitarian context is defined in terms of equality in the distribution of incomes and strong governmental welfare effort, while inegalitarian context is characterized by inequality of incomes and weak national level welfare effort. An important methodological asset of this chapter is the focus on both the between- and within-country, over-time empirical evidence. We used pooled cross-sectional

survey data from the European Social Survey (ESS), which combines six waves of biannual data on 27 countries collected from 2002 to 2012. The repeated cross-sectional ESS dataset is unique as it includes cross-national, over-time information on both solidarity and status-seeking. Two methods were applied; the cross-classified multilevel analysis was used to capture the within- and between-country variance simultaneously, and the within-country comparison models enabled us to extract the contextual effects within countries over time. An important advantage of the within-country comparison model is that it eliminated the problem of between-country heterogeneity and it could thereby be seen as a stricter test of the relationship.

## 5.2. Status-seeking and solidarity

Status-seeking and solidarity are the central concepts of this chapter. Status-seeking can broadly be understood as an individual's desire for a higher relative standing in the social hierarchy in terms of esteem, respect and influence (Flynn et al., 2006; Paskov, Gërxhani, and Van de Werfhorst, 2013). Since social status is largely based on other people's subjective evaluations of an individual and how he or she deserves to rank in the social hierarchy (Berger et al., 1972), status-seeking means that an individual wishes to attain a higher position in the eyes of others. Thus, the particular dimension of social status-seeking is the pursuit for social 'honor' (Chan and Goldthorpe, 2007; Jasso, 2001; Weber, 1968 [1922]). In this chapter status-seeking is defined as a conscious personal goal to attain social status in terms of respect, admiration and recognition from other people.<sup>22</sup> Solidarity is generally defined as a personal act or a goal to improve the welfare of others. This definition follows Lindenberg (2006: 24) who asserts that solidarity – which can be equated with the concept 'prosocial' – refers to attitudes and behaviors that can be *“assumed to be intentionally beneficial to others (not necessarily without self-interest) and involving some sacrifice”*. It is important to note that this definition of solidarity differs from the understanding of solidarity as unity or cohesion within a group (De Beer and Koster, 2009; Durkheim, 1983 [1964]). Although our definition of solidarity does not specify at which group solidarity is aimed, according to Schwartz (2010), it captures solidarity beyond family and friends; it extends to a broader group of people including strangers. Thus, it can be seen as a measure of generalized solidarity.

Overall, with status-seeking and solidarity a distinction can be made between personal goals that emphasize success, status and prestige, and goals that emphasize the welfare of others (Schwartz, 2010). While the two can be seen as contrasting goals, much of the literature suggests that solidarity can be used strategically to promote one's reputation in the eyes of others. Schokkaert (2006) argues that one of the reasons people act solidary

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<sup>22</sup> Thereby, status-seeking is defined similarly to Flynn et al. (2006) and Willer et al. (2013) who study desire for status in terms of pursuit for enhanced social position in the eyes of others.

is to attain more prestige and reputation in the eyes of others. Willer (2009) suggests that our willingness to behave in solidary ways and make sacrifices for the group's welfare may stem fundamentally from our concern for what others think of us, and therefore our status concerns. Schwartz (2010) also suggests that status-oriented individuals can act solidary with the hope of gaining public acclaim. Research in experimental laboratory settings has shown that helping others does yield reputational benefits; solidary people are rewarded with status, prestige, and esteem (Willer, 2009). People who make greater contributions to the collective good enjoy higher esteem and more status in the eyes of others. Prior research has also shown that solidary behavior earns an individual status largely because it signals an underlying desire to benefit the larger community (Willer, 2009). Thus, it is precisely the intention of benefitting others, rather than solidary behavior alone, that people find meritorious and reward with status (Willer et al., 2013). Status is rewarded to those who appear 'sincerely motivated' to help others and more 'convincing acts' of solidarity will be rewarded with greater status (Willer, 2009). From this it follows that rational status-seeking individuals should not just 'play their parts well' by acting solidary even when no one is there to judge, but they should also emphasize the importance of helping others when asked about their goals and attitudes. This would result in status seekers expressing heightened levels of solidarity. Hence, our first hypothesis: There is a positive relationship between status-seeking and solidarity (Hypothesis 1).

### **5.3. The moderating role of (in)egalitarian contexts**

It only makes sense for those seeking status by being solidary to do so in conditions where solidarity is actually rewarded with greater reputation gains. Willer (2009) demonstrates that people's motivation to help others is socially constructed and it depends on others' feedback and signs of respect. When people have had positive experiences of solidarity resulting in increased status feedback, then they also tend to give more to the group. Furthermore, in conditions where solidarity is more visible, status seekers are particularly eager to help others (Willer et al., 2013). This demonstrates that solidarity is strongly dependent on the reputational gains that can be derived from solidarity in a particular context. While the laboratory experiments have shown that people generally reward solidary behavior, there is also some evidence from comparative research that in some societies solidary behavior is punished instead of rewarded (Herrmann et al., 2008). Differing social norms governing solidarity and civic cooperation might explain whether solidarity is expected from others and whether solidarity is considered meritorious – something that is worthwhile rewarding with status.<sup>23</sup> The stronger the norms governing solidarity and civic cooperation in a society, the more solidarity should be expected from others and the more it should matter for status attainment.

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<sup>23</sup> Social norms refer to widely shared views about acceptable and expected attitudes and behavior (Herrmann, Thöni, and Gächter, 2008).

Social scientists have long been interested in the role of egalitarian and inegalitarian contexts in promoting or hindering solidarity and the social norms governing solidarity. According to some, egalitarian societies are likely to promote solidarity by increasing collective resources (Van der Meer, 2009) and fostering societal norms of solidarity (Mau, 2004). The idea of collective resources implies that members of egalitarian societies have more economic security, which can encourage people to help others. The idea of social norms implies that people have the tendency to adjust to the national culture of solidarity: if the society is more egalitarian, then people may also adjust their attitudes and internalize the notion that equality and solidarity are important (Mau, 2004; Rothstein, 1998; Svallfors, 2012; Titmuss, 1968). With solidarity being more widespread and more socially ingrained in egalitarian societies, we could expect that being helpful is more likely to be an admired trait in others or that people feel more social pressure to help each other. If solidarity is more important in egalitarian contexts, we could also expect that solidarity is more likely to be rewarded with status and esteem in egalitarian societies. The opposite can be expected from inegalitarian societies with fewer collective resources and weaker social norms around helping others (Larsen, 2008; Rodger, 2003). With lower levels of informal solidarity and weaker norms of civic cooperation in unequal contexts, solidarity is likely to be less important for impression management or it could even lead to the sanctioning of people who behave in the interests of others (Herrmann et al., 2008). Hence, the following hypothesis: Egalitarian societies promote solidarity and strengthen the association between status-seeking and solidarity (Hypothesis 2).

Alternatively, egalitarian contexts could also hinder social norms governing informal solidarity and potentially weaken the reputational gains of solidarity. Various theories support this claim. According to the 'crowding-out hypothesis' egalitarian societies crowd out informal caring relations because people have less (economic) incentive to invest in social relations – the main reason being that social security is already provided by the state (Reeskens and Van Oorschot, 2014; Van Oorschot and Arts, 2005). Likewise, people in egalitarian contexts might also find it less important to help others simply because if people are more equal and the welfare state is already adequately providing social security, helping others might not be necessary for individuals. Similarly Reeskens and van Oorschot (2014) show that in extensive welfare states social networks are less effective in reducing financial deprivation, however the authors claim that this is probably because help from social networks is less urgent and there is no direct need to protect others from financial deprivation. Additionally, egalitarian contexts might also have negative moral consequences – help is likely to be seen as something arranged by the state rather than being a responsibility of an individual (Arts et al., 2003; Van Oorschot and Arts, 2005). Overall, if provision of help is not urgent or if the role of helping is shifted to the state, then informal caring might become less important and less likely to be acknowledged as a social norm. To the extent that there is a weaker social norm concerning helping others, solidarity might also become

less influential for status attainment. Another mechanism could be that people in egalitarian societies might feel overburdened by egalitarian social arrangements and feel they already contribute enough to the well-being of others (Chung and Meuleman, 2011), in which case reduced reputational gains from solidarity could be a way to diminish the social pressure to make additional contributions to the well-being of others (Herrmann et al., 2008). Finally, stronger normative conformity (i.e., a desire and expectation to behave as all others do) to social equality along with a dislike for inequality in egalitarian contexts could make people less eager to reward ‘do-gooders’ with a heightened social status (Herrmann et al., 2008). These ideas lead us to believe that in egalitarian contexts people will generally find it less important to help others but also that the functional value of solidarity in terms of reputational gains will be weakened.

The opposite could be expected from inegalitarian societies, where solidarity may be encouraged to compensate for a lack in state-provided support systems (Van der Meer, 2009). Furthermore, an inegalitarian context might encourage solidarity and improve the reputation of acting in favor of others (Halevy, Chou, and Galinsky, 2011; Simpson et al., 2012). For instance, inegalitarian contexts could help organize solidarity because social hierarchies facilitate who should contribute what, when, and how much – something that is less obvious in egalitarian contexts (Simpson et al., 2012). Additionally, social hierarchies may encourage early and large contributions from high-status members. If high-status individuals (e.g., the wealthy) initiate other-regarding action, helping others is likely to become more prestigious and foster a cascade of contributions from other members of the society, which could explain how solidarity might become more popular in inegalitarian contexts. Another argument is that it is more noticeable and more impressive if in an inegalitarian context one helps another (Halevy et al., 2011).

Overall, these theoretical mechanisms suggest that in egalitarian contexts, as compared to inegalitarian contexts, there would be less eagerness to help others but also the reputational gains to solidarity would be lower. Hence the following hypothesis: Egalitarian societies undermine solidarity and weaken the association between status-seeking and solidarity (Hypothesis 3).

## **5.4. Methodology**

### **5.4.1. Data**

For individual level data, we combined all the waves of the European Social Survey (ESS) currently available, resulting in a dataset containing information from six years (2002, 2004, 2006, 2008, 2010, and 2012), 27 countries in the European region, 130 country-years, and 191,345 individuals under the age of 65. The sample is restricted to the population under the age of 65 in order to capture the relationship between solidarity and status-seeking among those of working age. In the statistical models the cases with missing values on one of



our study variables were eliminated, resulting in a reduced dataset of 161,727 individuals.<sup>24</sup> Data for income inequality, as Gini indices for each country-year, were obtained from the Standardized World Income Inequality Database (SWIID) (Solt, 2009a). Data on government welfare expenditure (as a % of GDP) are from Eurostat (Eurostat, 2012). To control for the wealth of the country, GDP per capita in PPS was attained from the Eurostat (Eurostat, 2012). Each ESS survey round was matched with Gini, social expenditure and GDP data accordingly. However, when macro indicators were not available for the year appropriate then the closest observations were matched.

#### 5.4.2. Variables

Solidarity. In this chapter, solidarity is the dependent variable. Respondents in the European Social Survey were presented with a list of different personality portraits and they were asked the following: ‘How much like you is this person?’<sup>25</sup>. To capture solidarity, the following personality characteristic is used: ‘It is important to her/him to help people and care for others’ well-being’. The responses were recorded on a scale from 1 to 6: ‘not like me at all’, ‘not like me’, ‘a little like me’, ‘somewhat like me’, ‘like me’, and ‘very much like me’. This dependent variable is treated as a continuous variable.

Status-seeking. Status-seeking was measured using items from the same list of personality portraits as described for solidarity. Status-seeking was captured with the following items: 1) ‘It is important to her/him to get respect from others. She/he wants people to do what she/he says’; 2) ‘It is important to her/him to show her/his abilities. She/he wants people to admire what she/he does’; 3) ‘Being very successful is important to her/him. She/he hopes people will recognize her/his achievements’. Responses were again recorded on a scale from 1 to 6: ‘not like me at all’, ‘not like me’, ‘a little like me’, ‘somewhat like me’, ‘like me’, and ‘very much like me’. To equalize the weight of each item, the variables were combined using a standardized option. The scale results in a Cronbach’s alpha of 0.70. This status-seeking index captures three indicators, which ascertain whether the respondent is the type of person for whom it is important to ‘get respect from others/get people to do what they say’, ‘want people to admire what they do’, and ‘want people to recognize their achievements’. Other studies have used a comparable measure of status-seeking (see Flynn et al., 2006; Willer et al., 2013).

Egalitarian and inegalitarian context. In order to capture egalitarian and inegalitarian contexts, we looked at two dimensions: inequality of incomes and governmental social

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<sup>24</sup> The largest number of missing cases resulted from a control variable that captures socio-economic position (ISEI), which is missing for 24842 individuals. Many of the missing cases represent people that are still in education.

<sup>25</sup> The questions were asked in the form of Portrait Values Questionnaire (PVQ). This is designed to reduce cognitive complexity of the items, by introducing respondents to short verbal portraits of different people: the person’s goals, aspirations, or wishes that point implicitly to the importance of a single value (Schwartz, 1992). People are thus asked to compare themselves to these portraits.

spending. **Income inequality** was measured by Gini-coefficient. The Gini-coefficient is a widely used measure that ranges from 0 (everyone has the same income) to 1 (one person owns all the income). The Gini index indicates the level of inequality across the entire income distribution of an area. SWIID (Solt, 2009) provides comparable Gini-indices of net income inequality based on disposable household income and is hence well-suited for cross-national research. For the analysis a net income inequality was used, which is the income inequality after transfers. Thereby, the measure also captures social expenditure. **Governmental welfare effort** is measured as the size of the welfare state in terms social spending relative to GDP. Welfare generosity in terms of replacement rates might be a better measure to capture governmental welfare effort, however, such data is not available for so many different points in time. In a way income inequality (after taxes and transfers) and welfare effort are similar indicators. High before tax and before transfer inequality implies that there is little welfare effort, while low after tax and transfer inequality implies high welfare effort. Nevertheless, there are also differences between the two indicators. For instance, welfare effort could be targeted only at particular groups (e.g., pensioners), leaving income inequality still relatively high. Therefore, both measures are important to capture egalitarian and inegalitarian societal contexts.

Control variables. A number of individual-level variables to account for the socio-demographic composition of the population in each country and year: gender, age, ethnic minority status, religiousness, socio-economic position (measured as ISEI scale), and employment status. To account for the wealth of a country, we used the volume index of GDP per capita in Purchasing Power Standards (i.e., a common currency that eliminates the differences in price levels between countries, allowing meaningful volume comparisons of GDP between countries). The GDP in PPS is expressed in relation to the European Union (EU-27) average set to equal 100, making it suitable for country-comparative purposes.

Table 5.1. Descriptive statistics of variables used in the analysis.

| Variable                        | Observations | Mean/proportion | Std.Dev. | Minimum | Maximum |
|---------------------------------|--------------|-----------------|----------|---------|---------|
| Solidarity <sup>a</sup>         | 183092       | 4.78            | 0.97     | 1       | 6       |
| Status-seeking <sup>a</sup>     | 183628       | 3.92            | 1.16     | 1       | 6       |
| Gini <sup>a</sup>               | 191345       | 0.29            | 0.04     | 0.22    | 0.37    |
| Social expenditure <sup>a</sup> | 191345       | 24.8            | 4.9      | 12.1    | 34.3    |
| GDP per capita <sup>a</sup>     | 191345       | 106.7           | 35.3     | 38      | 253     |
| Age                             | 191345       | 41.34           | 13.40    | 17      | 64      |
| Religiousness                   | 189795       | 4.48            | 2.96     | 0       | 10      |
| Occupational position (ISEI)    | 171844       | 0.50            | 0.29     | 0.01    | 1       |
| Male                            | 191256       | 47.3%           |          | 0       | 1       |
| Ethnic minority status          | 188981       | 5.4%            |          | 0       | 1       |
| Unemployed                      | 191345       | 8.4%            |          | 0       | 1       |

<sup>a</sup> Variable is standardized in the statistical models.

### 5.4.3. Estimation strategy

The dataset consists of individuals who were interviewed in different countries in Europe at different times. Observing these individuals makes it possible to study the relationships both between and within countries over time. As an estimation strategy, we had two approaches: cross-classified multilevel models and a within-country comparison model. In the cross-classified multilevel models individuals (identified by subscript (*i*)) were nested in two higher-level contexts, country (*j*) and survey year (*t*) (see equation 1). The response variable is the level of solidarity of individual *i* in country *j* in survey year *t*. The level of prosocial attitudes is a function of individuals' status-seeking orientation (STATSEEK), income inequality (GINI), social expenditure (SOCEXP) and GDP per capita (GDP), supplemented with the interaction effect between income inequality and status-seeking (GINI\*STATSEEK). Because these two contexts (survey year and country) are not nested among themselves, the cross-classified multilevel model specifies residual variances for both levels separately ( $\zeta_j$  for between-country variance and  $\xi_t$  for between-survey year variance) (Rabe-Hesketh and Skrondal, 2008). Whereas standard multilevel models for nested levels 2 and 3 would estimate the variance at a level 2 within level 3, the cross-classified multilevel model for un-nested levels 2 and 3 estimates a residual variance at level 2 assuming that this variance is equal across units of level 3 and vice versa. Given that much of the variability is found between countries rather than within countries across years in the short time span of investigation, the results of this model are strongly driven by between-country effects of contextual variables. In that sense, the model suffers from similar weaknesses as cross-sectional analyses because it is uncertain whether egalitarian context or some other omitted country characteristic drives the association between status-seeking and solidarity.

$$y_{ijt} = \alpha + \beta \cdot \text{STATSEEK}_{ijt} + \gamma \cdot \text{GINI}_{jt} + \lambda \cdot \text{SOCEXP}_{jt} + \delta \cdot \text{GDP}_{jt} + \eta \cdot \text{GINI}_{jt} \cdot \text{STATSEEK}_{ijt} + \zeta_j + \xi_t + \varepsilon_{ijt} \quad (1)$$

The within-country comparison model delivers a stronger test of the relationship as it includes both a measure at the aggregate (country-year) level and fixed effects for country (country dummies CD) and survey year (year dummies YD). The model can be identified because the number of observations on which contextual variables were assessed is larger than the sum of the number of fixed effects included. Given that all invariant country characteristics were controlled and general time trends are invariant across countries, the identification of the effect of societal context rests on within-country variability. A crucial benefit of this approach is that it eliminates the problem of between-country heterogeneity.

$$y_{ijt} = \alpha + \beta \cdot \text{STATSEEK}_{ijt} + \gamma \cdot \text{GINI}_{jt} + \lambda \cdot \text{SOCEXP}_{jt} + \delta \cdot \text{GDP}_{jt} + \eta \cdot \text{GINI}_{jt} \cdot \text{STATSEEK}_{ijt} + \varphi \cdot \text{CD}_j + \tau \cdot \text{YD}_t + \zeta_{jt} + \varepsilon_{ijt} \quad (2)$$

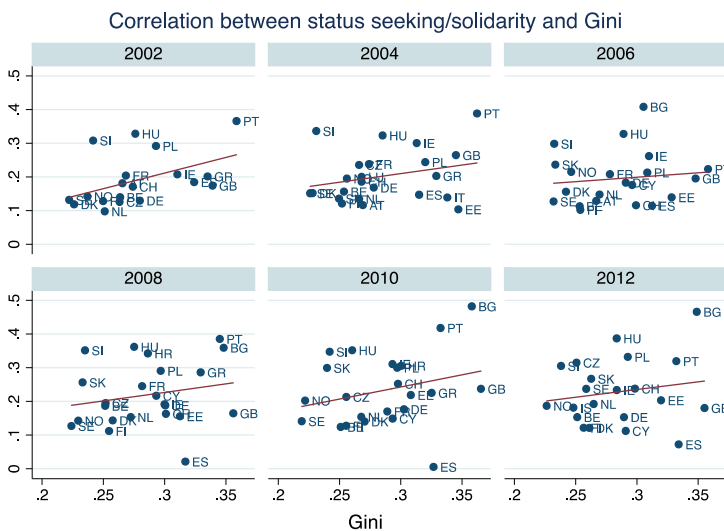
Note that both equation 1 and equation 2 serve as an illustration of the estimation strategy, in the statistical models presented later the interactions are altered and each model also includes individual level control variables.

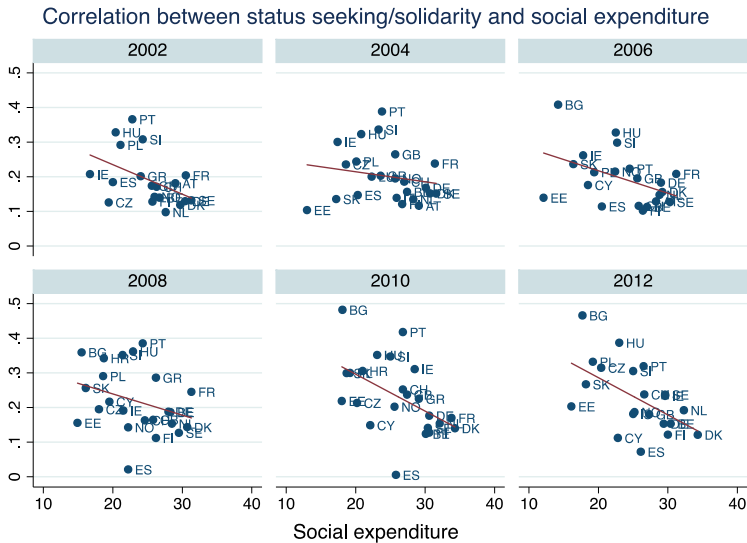
## 5.5. Results

### 5.5.1. Descriptive statistics

To determine whether status-seeking is positively associated with solidarity, we first looked at partial correlations between the two variables. Partial correlation reflects the association between status-seeking and solidarity after accounting for the effect of other relevant socio-economic characteristics: gender, age, ethnic minority status, religiousness, unemployment status, and socio-economic position. It appears that partial correlation between status-seeking and solidarity is positive in all countries in Europe, in support of Hypothesis 1: people more eager to attain status are also more eager to help others (see Figure 5.1). Furthermore, from the same figure it appears that the positive association between status-seeking and solidarity differs across societal contexts; the association is stronger in inegalitarian societies with high income inequality and low social expenditure; the association is weaker in egalitarian societies with more income equality and higher social expenditure. The strength of the relationship differs between points in time largely because the sample of countries differs in each survey wave. The sample difference between time points make the slopes non-comparable, however, we can conclude that the positive association holds for all time points under observation. Furthermore, it holds in all time points that the association between desire for status and solidarity is weaker in egalitarian social contexts as compared to inegalitarian contexts (Hypothesis 3). For example, we can observe that in more egalitarian Scandinavian countries, status seekers are less eager to express a desire to help others, while in countries such as Bulgaria and Portugal, status-seeking is strongly associated with an eagerness to help others.

Figure 5.1. The association between contextual factors and partial correlation between status-seeking and solidarity.





### 5.5.2. Multilevel models

The cross-classified multilevel models and the within-country comparison models are presented in Table 5.2. The former simultaneously captures within- and between-country variance while the latter only captures the variance within countries over time. The results show clear evidence of a positive association between status-seeking and solidarity, and that holds when controlling for socio-demographic factors but also societal conditions such as income inequality in terms of Gini coefficient, governmental welfare effort in terms of social expenditure and the wealth of the country in terms of GDP per capita (see Model 1 and Model 5 in Table 2). Therefore these findings confirm Hypothesis 1: there is a positive relationship between status-seeking and solidarity across countries and over time. When segmenting the status-seeking index it appears that all three items are positively related with solidarity (results not presented here but available upon request from author). Thus, we can conclude that people who seek more admiration, recognition and respect from others also find it more important to help others.

While we established that there is a strong positive association between status-seeking and solidarity, the question is whether this relationship is moderated by societal context. The cross-level interaction effects are added separately to the models, first the interaction between income inequality and status-seeking (Model 2 and Model 6) and then the interaction effect between social expenditure and status-seeking (Model 3 and Model 7). Finally, Model 4 and Model 8 include both interaction effects simultaneously. The results consistently show a significant and positive cross-level interaction effect between status-seeking and income inequality, confirming that the positive association between

status-seeking and solidarity is stronger in unequal societies. The negative cross-level interaction effect between social expenditure and status-seeking, however, suggests that in more generous welfare states the positive link between solidarity and status-seeking is weaker. Furthermore, the findings consistently show a positive association between income inequality and solidarity, and a negative association between social expenditure and solidarity. This can be seen as evidence that egalitarian societies in fact reduce individual incentive to help others while in inegalitarian contexts people are more eager to express willingness to help others. The combination of between- and within-country over-time empirical evidence adds to the robustness of these findings. We can conclude that even when income inequality and social expenditure change within a country over time, the link between solidarity and status-seeking weakens or strengthens accordingly. In general, the within-country comparison models appear to be a more appropriate fit, reflected in lower scores on AIC and BIC values. Based on these findings there is support for Hypothesis 3 according to which egalitarian context undermines solidarity and weakens the association between status-seeking and solidarity, Hypothesis 2 can be rejected.

From the findings from Table 2 we can also conclude that status seekers—people who care more about what others think of their social position—are more strongly influenced by the societal conditions, income inequality and social expenditure. Those more eager to attain status are particularly likely to reduce their show of solidarity in egalitarian social contexts. Solidarity among people who care less about status does not depend as much on welfare expenditure or levels of income equality. This could be seen as evidence that people who care about status are more likely to adjust their solidary attitudes and behavior to their social environment, depending on whether or not they can expect reputational rewards in return. This is in accordance with the literature and confirms the finding of Willer and colleagues (2013) that context particularly affects the strategic considerations of the solidary.

## Are people living in egalitarian societies less eager to help others?

Table 5.2. Solidarity regressed on individual and macro level predictors, different methodological approaches.<sup>a</sup>

|                                    | Cross-classified multilevel models |           |           |           | Within country comparison models |          |           |           |
|------------------------------------|------------------------------------|-----------|-----------|-----------|----------------------------------|----------|-----------|-----------|
|                                    | Model 1                            | Model 2   | Model 3   | Model 4   | Model 5                          | Model 6  | Model 7   | Model 8   |
| Status-seeking                     | 0.265***                           | 0.272***  | 0.266***  | 0.270***  | 0.267***                         | 0.274*** | 0.268***  | 0.273***  |
|                                    | [0.003]                            | [0.003]   | [0.003]   | [0.003]   | [0.003]                          | [0.003]  | [0.003]   | [0.003]   |
| Gini                               | 0.074***                           | 0.074***  | 0.074***  | 0.074***  | 0.073**                          | 0.072*   | 0.073*    | 0.072*    |
|                                    | [0.011]                            | [0.011]   | [0.011]   | [0.011]   | [0.028]                          | [0.028]  | [0.028]   | [0.029]   |
| Social expenditure                 | -0.032***                          | -0.033*** | -0.032*** | -0.033*** | -0.052*                          | -0.055*  | -0.053*   | -0.055*   |
|                                    | [0.009]                            | [0.009]   | [0.009]   | [0.009]   | [0.026]                          | [0.026]  | [0.026]   | [0.027]   |
| Gini*status-seeking                |                                    | 0.036***  |           | 0.024***  |                                  | 0.040*** |           | 0.027***  |
|                                    |                                    | [0.004]   |           | [0.004]   |                                  | [0.004]  |           | [0.004]   |
| Social expenditure* status-seeking |                                    |           | -0.038*** | -0.033*** |                                  |          | -0.041*** | -0.035*** |
|                                    |                                    |           | [0.003]   | [0.003]   |                                  |          | [0.003]   | [0.003]   |
| Control variables <sup>b</sup>     | Yes                                | Yes       | Yes       | Yes       | Yes                              | Yes      | Yes       | Yes       |
| Country effect                     | Random                             | Random    | Random    | Random    | Fixed                            | Fixed    | Fixed     | Fixed     |
| Year effect                        | Random                             | Random    | Random    | Random    | Fixed                            | Fixed    | Fixed     | Fixed     |
| N individuals                      | 161727                             | 161727    | 161727    | 161727    | 161727                           | 161727   | 161727    | 161727    |
| N countries                        | 27                                 | 27        | 27        | 27        | 27                               | 27       | 27        | 27        |
| N country-years                    |                                    |           |           |           | 130                              | 130      | 130       | 130       |
| Log-likelihood                     | -213205                            | -213163   | -213125   | -213108   | -212901                          | -212852  | -212811   | -212791   |
| AIC (smaller is better)            | 426439                             | 426357    | 426279    | 426248    | 425891                           | 425793   | 425712    | 425673    |
| BIC (smaller is better)            | 426579                             | 426507    | 426429    | 426408    | 426331                           | 426243   | 426162    | 426132    |

Notes:

Standard errors in parentheses

+ p<0.1, \* p<0.05, \*\* p<0.01, \*\*\* p<0.001

<sup>a</sup> all variables presented in the table are standardized.

<sup>b</sup> Control variables: GDP per capita, male, age, religiosity, ethnic minority status, unemployment status, ISEI.

## 5.6. Discussion and conclusion

Self-oriented goals are crucial in motivating people's attitudes and behavior. The central role of self-interest in individual decision-making triggers an important question: what factors lead individuals to set aside narrow self-interest in favor of contributing to the well-being of others? Literature suggests that individuals' self-interest is not always at odds with solidarity towards others. For instance, solidarity may arise from self-oriented motivation to attain social status. Social status-seeking is essentially a search for recognition and esteem in the eyes of others. If solidarity is rewarded with reputation, then people interested in status attainment might be more eager to express solidarity towards others. The results of this chapter add to the literature by showing that status-seeking is indeed positively associated with solidarity: people that care about their social status are also more eager to help others, and this holds with representative national samples of people in 27 European countries over time. These findings can be interpreted as indicating that status seekers engage in impression management and express solidarity in order to attain status in the eyes of others.

Although we found a strong positive association between status-seeking and solidarity, we were also interested in whether this association holds equally under different societal conditions. We proposed that egalitarian contexts could either have a normative effect by promoting solidarity and strengthening the association between status-seeking and solidarity, or egalitarian contexts could have a crowding-out effect by undermining solidarity and weakening the association between status-seeking and solidarity. Egalitarian contexts were defined in terms of equality in the distribution of incomes and strong governmental welfare effort, while inegalitarian contexts were characterized by inequality of incomes and weak national level welfare effort. The findings support not only the idea that egalitarian societies crowd out individual motivation to help others, but also that the function of solidarity in terms of providing reputational gains appears to diminish in more egalitarian contexts. This is consistent with Reeskens and van Oorschot (2014) who recently showed that while social contacts are more frequent in egalitarian contexts, the extent to which these social networks are functional – for example, in terms of providing financial support – is lower. The current chapter adds to this by confirming that in egalitarian societies people are less eager to help others and solidarity is also less likely to play a functional role for status seekers. However, does this mean that egalitarian contexts do indeed have negative implications by diminishing solidarity and lowering the functional value of helping others?

One interpretation could be that in egalitarian contexts people do not feel that they should take care of others; providing care might be seen as the responsibility of the state. People might also have less (economic) incentive to invest in their social networks since social security is already guaranteed by the state. However, it could also be argued that in egalitarian societies, state-provided care contributes to reduced incentive to help others (Reeskens and Van Oorschot, 2014). Or it could be stated that people consciously prefer



collective state-organized solidarity in the form of strong welfare state effort instead of individual action to provide help and care for others. The latter suggests that in egalitarian and inegalitarian societies people might have a preference for different types of solidarity – either individually-arranged or publicly-arranged solidarity. Spicker (2008) discusses a distinction between societies that have a more individual-help based solidarity and societies that have a more collective-help based solidarity. In an individual-help based society more voluntary help is provided while a collective-help based society is characterized by a universal and a more consistent welfare provision targeted at broad groups in the society. Similarly, Alesina and Glaser (2001) make a distinction between societies with a higher public provision of welfare and societies where people engage more in charity and private provision of welfare. Thus, while our findings suggest that egalitarian contexts seem to crowd-out individual incentives to be prosocial in everyday life and afford solidarity a lower functional utility in terms of status returns, this might not necessarily mean that egalitarian societies overall feature negative consequences for solidarity. People might be less eager to help others simply because it is not necessary (Reeskens and Van Oorschot, 2014) or because they prefer solidarity arranged by the welfare state, instead. A different role of solidarity in egalitarian contexts might also explain why the reputational gains of helping others are not as strong.

Considering that our findings point to a trade-off between egalitarian societal context and individual incentive to help others, could we say that collective solidarity (e.g., the welfare state) and individual solidarity (e.g., informal help provision) are functional equivalents; if one is underdeveloped could the other replace it? According to Spicker (2008), societies with members who believe it is their own responsibility to provide help and take care of others also feature more selectivity in who is helped. Selectivity of target groups can be seen as a limitation of voluntarily-arranged solidarity networks because it is the more well-off that are often supported and some needy groups are left unnoticed. Thus, solidarity that predominately relies on individual initiative might lead to more inequality as a consequence of people choosing to help some groups and not others. Institutionalized solidarity, in contrast, can be seen as a more equal and a more consistent way of providing help. More research is needed to understand different types of solidarity and their implications.



## Chapter 6. **Conclusion**

## 6.1. What has this study achieved?

In recent decades the topic of contextual inequality – a concept referring to a distribution of, or access to, resources and life chances – has received great amounts of attention around the world. There is now robust empirical evidence that contextual inequality differs substantially between countries, and perhaps more notably in the last three decades inequalities have been rising in most wealthy societies (Atkinson and Piketty, 2007; Nolan et al., 2014; OECD, 2009; OECD, 2011; Piketty, 2014; Salverda et al., 2014). Large variations in inequality have raised questions about the potential consequences of egalitarian and inegalitarian contexts for individuals, and for societies more broadly (Salverda et al., 2014; Van de Werfhorst and Salverda, 2012; Wilkinson and Pickett, 2010). The work of Wilkinson and Pickett (2009) has been particularly influential in suggesting that inequality is associated with various social problems, including deteriorating health, increasing crime levels, lowered social trust and declining social cohesion. It is relatively straightforward that inequality affects the amount of money people have in their pockets, and this could result in declining health, more crime and less time to engage in social activities (Lancee and Van de Werfhorst, 2012; Layte, 2011; Lynch et al., 2000). However, one of the underlying concerns put forward by Wilkinson and Pickett (2010) is that inequality might also have psychosocial consequences. For example, inequality could harm social relations and lead people to be less caring of each other. Additionally, the competitive nature of unequal societies could cause stress and anxiety, and potentially foster more self-oriented attitudes. The idea that inequality harms social relationships is not new; Durkheim (1983 [1964]) and Titmuss (1976) found that inequality compromises solidarity, and that solidarity can only flourish under egalitarian conditions of social justice and equality of opportunity.<sup>26</sup>

Despite heightened worries about the implications of contextual inequality, underlying assumptions, such as the association of inequality with more self-focus and less caring for others, are rarely empirically studied. Thus we do not know, for example, whether people are indeed more self-oriented and less other-regarding in unequal contexts. The main objective of this dissertation was to shed light on this question by studying the role of contextual inequality for self-regarding and other-regarding attitudes in particular. Understanding the relationship between contextual inequality and self-oriented and other-regarding attitudes contributes not only to the field of inequality research but also to the field of attitudinal research. It is a matter of whether contextual inequality – reflected in the distribution of and access to resources – has psychosocial implications reflected in different attitudinal outcomes. Furthermore, declining solidary attitudes and increasing self-orientation can be seen as adverse societal trends, which jeopardize social cooperation and social cohesion (De Beer and Koster, 2009).

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<sup>26</sup> Although Durkheim also believed that in modern societies some inequality based on individual talents and achievements is justified and necessary, he was particularly concerned about the lack of social justice, inequality of opportunity and restricted social mobility caused by inequality.

The foundation of this dissertation was a general idea that people's attitudes and preferences are determined by a combination of individual socio-economic characteristics (e.g., income, gender, occupational status) and the characteristics of the societal context in which a person is embedded (e.g., economic and social conditions) (Scharpf, 1997; Van de Werfhorst and Salverda, 2012). In this project, these two perspectives were combined to answer two broad questions. First, what is the role of contextual inequality for self-regarding and other-regarding attitudes? Second, how do these contextual effects on attitudes vary by individual socio-economic position? The four empirical chapters of this dissertation addressed these two questions from different angles.

In addition to researching these two broad questions, this dissertation also aimed to achieve progress in five main conceptual and methodological aspects. First, this dissertation aimed to clarify and provide definitions for concepts such as self-oriented and other-regarding attitudes. Self-oriented attitudes are those where people prioritize personal success, status and prestige, while other-regarding or prosocial values are those where people prioritize the welfare of others. We explored different indicators that capture these concepts. Second, the aim was to take a broader look at contextual inequality by not only analyzing the distributional aspects of inequality (e.g., income inequality reflected by the Gini coefficient, decile ratios, or measures of income concentration at the top) but also considering the institutional aspects of inequality (e.g., welfare state effort and employment policies). By including alternative indicators of contextual inequality we have a more comprehensive view of egalitarian and inegalitarian societal arrangements. Third, the aim of this dissertation was to bring the theoretical mechanisms and 'causal narratives' (Goldthorpe, 2001) to the fore when discussing the association between contextual inequality and attitudinal outcomes. The mechanisms discussed use an actor-centered causal narrative to understand how contextual inequality could matter for self-regarding or other-regarding attitudes. These mechanisms cannot always be tested explicitly but they provide an important theoretical context. Fourth, the aim was to study whether there are differences in the association between contextual inequality and attitudinal outcomes by individuals' own position in the social hierarchy. This question of 'effect heterogeneity' also tells us whether solidary or self-oriented attitudes among different socio-economic groups converge or diverge. Fifth, this dissertation aimed to make an empirical contribution by investigating not only cross-sectional data for one time period, but also by employing surveys over a longer period of time. This approach enabled us to come closer to finding out whether there is a robust relationship between contextual inequality and attitudinal outcomes.

In this concluding chapter we first discuss the main findings of this dissertation along with their theoretical and social implications. While this dissertation makes a number of important contributions to the field of inequality and attitude research, there are also limitations, which will be discussed along with suggestions for future research.

## 6.2. The main findings and theoretical implications

What are the main findings of this dissertation? Why are these findings important? In the last decade there has been rising concern about the implications of contextual inequality. The findings of this dissertation add to our knowledge by showing that contextual inequality is also related to psychosocial outcomes. More specifically, we show how contextual inequality is related to self-regarding and other-regarding attitudes. These findings have important theoretical and social implications, which will be discussed in this section.

### *The relationship between income inequality and solidarity is mixed*

One of the central contributions of this dissertation is to add to our understanding of the complex relationship between income inequality and solidarity. While the literature in the field is varied, we can generally distinguish between two conflicting perspectives about the association between income inequality and solidarity. From one perspective, the literature suggests that there could be less solidarity in unequal contexts and more solidarity in equal contexts. There are diverse theoretical arguments to support this perspective. Durkheim (1983 [1964]) and Titmuss (1976) already established that inequality compromises solidarity. Inequality is thought to break social relationships and solidarity by increasing social distance between different socio-economic groups, reducing the feeling of identification with fellow countrymen, and lowering trust (Alesina et al., 2001; Larsen, 2008; Neckerman and Torche, 2007; Rothstein and Uslaner, 2005; Schubert and Tweed, 2004). In addition to affecting social relationships, the literature also suggests that societal context can have a normative effect, which suggests that a more egalitarian society can cause people to adjust their attitudes and internalize the notion that egalitarian values – such as solidarity – are important and worth pursuing (Mau, 2004; Osberg and Smeeding, 2006; Rothstein, 1998; Svallfors, 2012; Titmuss, 1968). From this perspective, equal contexts could crowd in solidary attitudes, while unequal contexts would crowd out solidary attitudes.

On the other hand, the literature also suggests that there could be greater solidarity in unequal contexts and less solidarity in equal contexts. Again, various theoretical arguments are presented in the literature to support this perspective. For example, to the extent that people are aware of the interdependencies characteristic for modern societies, a higher level of inequality should be related to a higher willingness to help other people. To give an example, people might realize that one way to attain economic growth in unequal contexts is through political stability and secure property rights, which can be attained by being solidary with fellow countrymen (Neckerman and Torche, 2007; Thorbecke and Charumilind, 2002). Furthermore, solidarity might develop in unequal contexts to compensate for the lack of national social support systems. If a society is unequal, people might feel highly insecure and thus support more solidarity on a state level or be more solidary with others hoping for reciprocation. If this were the case, we would expect solidarity to be higher in unequal contexts, and egalitarian contexts to crowd out solidary attitudes.

When it comes to the relationship between income inequality and other-regarding attitudes, this dissertation shows mixed findings. In Chapter 2 we demonstrate modest evidence of a negative association between income inequality and solidarity as willingness to help neighbors, the elderly, and the sick and disabled. These findings are attained from cross-national comparative evidence for one period of time. We suggest that from the calculative perspective, people in unequal societies should theoretically be more interested in helping others. This is based on the argument that people are likely to recognize the negative externalities arising from inequality and the need for social support. However, from an affective perspective, the growing mental, social and physical distance between people might limit the ability to recognize the indirect benefits of helping others and this may make people in unequal contexts less interested in contributing to the well-being of others. Based on the negative association between income inequality and solidarity, we conclude that affective considerations might be more important for determining solidarity towards neighbors, the elderly, and the sick and disabled. We also show empirically that people are indeed willing to help others out of moral considerations and sympathy (also in Chapter 2). Thus, we conclude that solidarity towards one's community, the elderly and the sick is more difficult to sustain in the context of greater income inequality – potentially due to social distance and diminished identification with others. Overall, in Chapter 2 we find evidence for stronger solidarity in egalitarian contexts. In contrast, however, in Chapter 5 we find that income inequality is positively associated with 'generalized solidarity' – referring to a general positive attitude towards helping others. Here we seem to have support for the crowding-out hypothesis: the individual incentive to help others is lower in egalitarian contexts, while higher in inegalitarian contexts.

These conflicting findings confirm that the relationship between income inequality and social solidarity is far from straightforward (Nolan and Whelan, 2014). However, how can we explain that inequality is negatively associated with one type of solidarity and positively associated with another type of solidarity? One explanation is that this is an indication of differing types of solidarity. Although one of the aims of this dissertation was to focus on a narrower definition of solidarity – willingness to contribute to the welfare of other people – it is likely that the specific indicators that were used still captured different forms of solidarity. In Chapter 2 solidarity was captured with the following item from the European Values Study (EVS): *Would you be prepared to actually do something to improve the conditions of: (a) people in your neighborhood/community; (b) elderly in your country; (c) sick and disabled people in your country; and (d) immigrants in your country.* This question specified the particular social groups that solidarity should be targeting but it did not specify the means through which help should be provided. De Beer and Koster (2009) used the same indicator and suggested that this question could include volunteering but it could also include support for the welfare state to take care of the needy groups. In Chapter 5 we relied on the European Social Survey (ESS) and solidarity was captured based on people's

self-evaluation regarding the following personality profile: 'It is important to her/him to help people and care for others well-being', after which people were asked 'How much like you is this person?' We call this 'generalized solidarity' because it is rather broadly defined – people were asked whether they are the kind of person that likes to help others. This question does not specify to whom solidarity is directed nor does it refer to specific means for providing this help.

Substantially, the distinguishing factor between these indicators is that one refers to a particular target group and the other does not. The solidarity measure from Chapter 2 refers to taking care of particular social groups in a society. Mentioning the elderly, sick and disabled suggests that people might be primed to interpret this as solidarity towards the weaker and potentially more needy groups in the society. Solidarity towards the elderly, sick and disabled, in particular, is commonly arranged by the welfare state. Therefore, this question might also prime people to think of welfare state arrangements that support these groups. Furthermore, 'willingness to help neighbors, the elderly, and the sick and disabled' concerns solidarity towards broad groups of people and thereby it is more likely to include solidarity towards strangers. It is known that people are more eager to be helpful if they have the impression that other people will do the same or that the recipients will not take advantage of the help provided (Bowles and Gintis, 2000; De Beer and Koster, 2009). Thus, solidarity towards a range of societal groups, including strangers, might be more strongly related to factors such as trust in others and fear of misuse of kindness. In this sense, we could interpret the finding as such: agreement that some broad social groups – immediate members of the community, the elderly, the sick and disabled – need and deserve help; and the person is willing to make a contribution to improve the well-being of these groups. The solidarity measure in Chapter 5, however, does not specify the target group, and therefore, captures solidary attitudes towards whomever the respondent has in mind. According to Schwartz (2010) this 'generalized solidarity' measure should refer to prosocial attitudes not only toward family and friends, but also toward strangers. However, we cannot know which groups the respondents had in mind and whether they also include strangers. Furthermore, the 'generalized solidarity' question does not prime people to think of any particular and potentially needy social groups in a society nor does it prime people to think of welfare state arrangements. Thus, it is possible that this question captures solidarity towards a particular in-group or community, or solidarity towards particular social groups that the person finds deserving or needing of help.

It can thus be seen that the indicators used in these two chapters might refer to different types of solidarity. We could conclude that in unequal societies people are less likely to think that broad groups – people in the community, the elderly, the sick and disabled – need or deserve help. That said, people are more likely to express a caring personality and eagerness to help specific people or groups. The latter could include help provision within a smaller community – maybe particular people that they know and wish



to help, or particular social groups that they find deserving (e.g. children, certain religious groups, people with a specific illness). Along these lines, Spicker (2009) makes a distinction between societies that have a more individual-help based solidarity and societies that have a more collective-help based solidarity. An individual-help based society exhibits a higher level of voluntary-help provision but people are also more selective about who they help. A collective-solidarity society is characterized by a more universal approach and a more consistent welfare provision targeted at broad groups in the society. A similar distinction is made by Alesina and Glaser (2001), who claim that while Europe offers more public welfare to needy social groups than the United States, in the U.S. people engage more in charity and private provision of welfare. Saunders (2010) – who is one of the most prominent critics of Wilkinson and Pickett’s idea that inequality has harmful societal consequences – shows that active involvement in charities and humanitarian organizations is often higher in unequal countries. Saunders takes this as evidence to refute the proposition of Wilkinson and Pickett (2010) about the destructive role of income inequality. The results of this dissertation suggest that much depends on our chosen indicators, and we ought to carefully consider what they capture. Instead of refuting the idea that inequality is harmful for solidarity, Saunders (2010) might have simply demonstrated that inequality promotes this particular type of solidarity measured as private charitable donations. At the same time it could still hold that inequality is harmful for other types of solidarity – such as caring for weaker groups in a society.

If these solidarity indicators indeed capture different types of solidarity, how could we explain the difference between equal and unequal societies? Referring to the literature discussed earlier, one mechanism could be that inequality increases social distance, which is associated with a lack of identification with fellow countrymen but also with lower trust towards strangers. According to Robert Putnam (2000) not only trust in, but cooperation with strangers depends greatly on whether people are similar or share a common faith. Since inequality fosters social distance from strangers, it could explain why we find a negative association between inequality and solidarity with broad categories of people such as the elderly and sick. Since social trust and identification are more difficult to achieve in unequal societies, individualized solidarity might develop as an alternative. People might feel more helpful towards those they can trust or groups that they find deserving. Another explanation is that in more equal societies there might be stronger social norms governing who takes responsibility for the needy groups, while such norms might be absent in unequal contexts. However, there is also an alternative explanation. According to Spicker (2008) selectivity of target groups for whom help is provided is a limitation of voluntarily arranged solidarity networks because it is the more well-off people that are often supported while some needy groups are left unnoticed. This, in turn, could reproduce inequalities. We could then discuss reversed causality because a preference for individually-arranged selective solidarity could be a cause of inequality, not a consequence. Unfortunately we were unable to test the direction of causality in this dissertation.

***Welfare state effort crowds out generalized solidarity but it does not crowd out support for public welfare arrangements***

Regarding the role of welfare state effort for other-regarding attitudes, there are two general ideas proposed in the literature. The crowding-out perspective suggests that advanced state-run social arrangements can have adverse consequences by lowering the incentive to help others. As the state provides much of the support, people rely less on interpersonal relations and are thus less likely to help others (Arts et al., 2003). Related to this is an idea that welfare effort also has adverse moral consequences, causing people to forego helping others, believing this is instead to be the responsibility of the state. An alternative expectation is that egalitarian societal conditions play a normative role by encouraging people to internalize the idea that helping others is important, thereby promoting prosocial values and norms (Mau, 2004; Svallfors, 2012; Titmuss, 1968). In this way egalitarian policies have a crowding-in effect by promoting positive ideas towards helping others. Based on these theoretical approaches, we could expect that welfare state effort is either negatively related to other-regarding attitudes or that it is positively related to other-regarding attitudes.

Based on the findings of Chapter 5 we can conclude that more egalitarian social arrangements are associated with less generalized solidarity – it appears that people find it less important to help others in more generous welfare states, while in weaker welfare states helping others is seen as more important. This provides some support for the crowding-out hypothesis. In Chapter 3, however, we find that egalitarian social policies are related to more support for public unemployment benefits. More specifically, welfare state effort in terms of protective policies for temporary workers is associated with more support for unemployment benefits among both the securely and insecurely employed. Furthermore, it appears that welfare state effort in terms of generous unemployment benefits does not reduce support for social unemployment benefits among the employed; although not significant, we can observe that secure workers are indeed slightly more supportive of unemployment benefits.

To summarize the findings from Chapter 3 and Chapter 5, we can say that egalitarian societies – characterized by high welfare state effort – are associated with more prosocial attitudes towards unemployed people but less generalized solidarity expressed as personal eagerness to help others. This could also be interpreted as being in accordance with the crowding-out hypothesis. Namely, people in egalitarian societies expect the state to take the responsibility for caring for others and thus it seems to be less important for people to identify themselves as caring persons. Furthermore, these findings relate to what we previously discussed – in egalitarian contexts prosocial attitudes appear to be stronger towards particular weaker social groups (e.g., unemployed) but generalized solidarity is higher in inegalitarian contexts. Others have shown that in egalitarian societies people think that the welfare state exists to encourage equality and prevent poverty (Van Oorschot,

Reeskens, and Meuleman, 2012). Van Oorschot, Reeskens and Meuleman (2012: 194) conclude from their study that *“higher spending welfare state promotes its social legitimacy by stimulating in people the idea that it is doing a good job, more than that it arouses their worries about its effect on the economy and morals”*. This could mean that people in egalitarian societies think that the welfare state is important and that it should provide care for particular social groups that need help, but they also see helping others less as part of their personal identity or individual responsibility. In inegalitarian societies, however, people may find it less important to provide collective care for particular social groups, and instead consider it more important to care for their close ones or other individuals deemed deserving of help. This again relates to the distinction made by Spicker (2008) between collective and individual solidarity. It seems that people in egalitarian societies are more prone to support collective solidarity while people in inegalitarian societies adhere to the individual type of solidarity. These are preliminary interpretations of our mixed findings, and further research is needed to support these suggestions.

### ***Crowding-in or Crowding-out?***

On the one hand, the results suggest that in egalitarian contexts people are more solidary towards particular (weaker) social groups (e.g., the unemployed, close community members, the elderly, the sick and disabled), while solidarity towards these groups is lower in inegalitarian contexts. This finding affirms the idea that inequality creates social distance and makes it harder for people to identify with others, which could explain why people are less eager to contribute to the well-being of others in unequal contexts. These findings also support the crowding-in perspective – that in more egalitarian societies people have internalized the norm that helping the needy is a collective responsibility. On the other hand, generalized solidarity – reflecting an overall positive attitude towards helping others – appears to be lower in egalitarian contexts and higher in inegalitarian contexts. The latter suggests that when the context is egalitarian, people are less likely to characterize themselves as enjoying helping others and caring for their well-being. This finding is in accordance with the crowding-out perspective that in egalitarian contexts – where social security and social equality are already provided – people will be less motivated to help each other. This suggests that both the crowding-in and crowding-out perspectives might be true, and contextual inequality might be harmful when it comes to solidarity towards weaker social groups, while contextual inequality might promote generalized solidarity.

However, considered together, we could interpret the findings as favoring the crowding-out perspective. The essence of the crowding-out hypothesis is that egalitarian contexts reduce the need to be solidary with others. This happens because people do not need to rely on their social networks for economic and social security but also because egalitarian contexts might promote an attitude that the state, rather than individuals, is responsible for providing solidarity. The findings of this dissertation provide support for these theories. We

find that when a society has a strong welfare provision and is relatively equal, people are disinclined to claim that caring for others is personally important to them; instead, people seem to think that the state is responsible for taking care of the needy. When a society is unequal and there is little state support, however, people are more eager to identify themselves as caring people. Thus, it could be that in inegalitarian contexts individual solidarity develops as an alternative to the lack of state-organized solidarity, or that in egalitarian contexts people abdicate individual responsibility for helping others because solidarity is already arranged by the state.

***People living in unequal contexts are more concerned about their position in the social hierarchy***

Based on the literature referring to increased competition and social comparisons in unequal contexts (Merton, 1968; Wilkinson and Pickett, 2010), we hypothesized that in unequal societies self-oriented goals – such as status attainment – would be more prevalent. According to Wilkinson and Pickett (2010) social hierarchy reflects a hierarchy from the most-valued people at the top to the least-valued individuals at the bottom; larger income differences are thus likely to add to status competition and concerns about one's relative position in the status hierarchy, also referred to as 'status anxiety'. As a particular mechanism, the reference group theory of Robert Merton (1968) suggests that the level of inequality in a society determines the reference groups with whom one wants to compare oneself. In unequal societies status differences are more superficial and the reference groups are further away, thus everybody is likely to feel more pressure to compete for and aspire to more social status. One of the central contributions of this dissertation is to show that inequality is indeed associated with more status-seeking – defined as pursuit for elevated social status. As inequality increases – especially inequality at the top – people are more concerned about their social status in the eyes of others. The pattern is most apparent for men of lower status groups. The fact that it is inequality at the top, in particular, that matters for heightened status-seeking is also in accordance with the theory that people compare themselves with those higher up in the social hierarchy and that people at the top set the standards for others (Merton, 1968; Veblen, 1931).

Moreover, our findings demonstrate that in unequal contexts status attainment is established as an important goal among men from different social strata, suggesting that status-seeking becomes a more widely accepted goal or a 'cultural norm'. This is again in accordance with Merton (1968) who argued that societal structure plays a role in generating different goals and values that are prevalent in a society, thus, societies can differ in what people value or find 'worth striving for'. Overall, the findings of this dissertation suggest that in unequal contexts status attainment is more important, which could be seen as evidence for heightened self-regarding attitudes.

***Reputational gains of solidarity***

It is a relatively common perception that people who are mainly concerned about their own life and social position are less concerned about others. Interestingly, however, the findings of this dissertation show that self-orientation measured in terms of status-seeking does not necessarily mean that people are less prosocial towards others. In fact, as shown in Chapter 5, generalized solidarity is higher among status seekers across different societal contexts. Drawing on the literature, status seekers probably express prosocial attitudes in a bid for recognition from others. In this sense we find some evidence to support Weber (2008 [1946]) who saw solidarity as arising from the pursuit of honor. As others have shown, one way to attain social status is to be prosocial towards others (Willer, 2009). Therefore, there is not necessarily a trade-off between self-regarding and other-regarding orientations; people can pursue both because one can be a precondition for the other. Concerns about people becoming increasingly self-oriented and less caring of others might not hold so straightforwardly. People's lives are interdependent and sometimes caring for others is necessary in order to pursue one's self-oriented goals.

Furthermore, the findings of Chapter 5 showed that the positive association between status-seeking and solidarity is particularly strong in inegalitarian societies. Relying on the idea that status seekers are more prosocial in contexts where solidarity leads to greater reputational gains (Willer et al., 2013) we interpret the findings as a suggestion that the reputational gains of solidarity are higher in inegalitarian societal contexts than in egalitarian contexts. Again, these findings arguably provide evidence for the crowding-out hypothesis, which suggests that people in egalitarian societies have less rationale and feel less moral obligation to help others. In egalitarian societies caring for others might be considered the state's responsibility rather than an individual responsibility, which could render helpfulness ineffectual in enhancing reputation. In inegalitarian contexts, however, expressions of care for others might develop as an alternative in the absence of state support and such care might be important for social status attainment. This interpretation suggests that solidarity – being helpful and caring towards others – is of lesser use and value in egalitarian contexts. Thereby we have some evidence for the crowding-out hypothesis.

However, it is important to note we only have evidence that status seekers are more eager to express generalized solidarity – measured in terms of finding it important to help others and care for others well-being. We discussed earlier that this particular measure of solidarity does not refer to a particular target group. Thus, status seekers might simply be more eager to help family and friends or the groups that they find worthwhile to help. The choice of a target group is probably strongly influenced by a potential for reputational gains. Unfortunately we do not know if status seekers would also be more eager to help broader groups such as the community members, the elderly, the sick or the unemployed.

***Contextual inequality matters for divergence and convergence of opinions***

In addition to studying whether a general relationship between contextual inequality and attitudinal outcomes exists, we were also interested in how these contextual effects on attitudes vary by individual socio-economic status background. This was important to investigate for two main reasons. First, by studying the relationship between contextual inequality and attitudes among different socio-economic groups, we were able to contribute to the discussion about whether inequality has consequences beyond neo-materialist expectations. According to the neo-materialist perspective inequality can affect attitudes only to the extent that it affects the amount of money and resources people have (Lynch et al., 2000). Therefore, negative outcomes such as crime and health problems but also lack of trust and social capital, should mainly concern relatively disadvantaged people (e.g., the poor and lower status groups). Wilkinson and Pickett (2010), however, suggest that inequality has general psychosocial consequences, which are reflected in the fact that everybody is concerned notwithstanding one's own socio-economic position. By looking at this 'effect heterogeneity' we can study whether the relationship between contextual inequality and attitudinal outcomes holds for different socio-economic groups. Second, by looking at 'effect heterogeneity' we can also assert whether self-regarding and other-regarding attitudes are more homogeneous or more heterogeneous depending on contextual inequality. More homogeneous attitudes can be seen as a reflection of a social norm or a societal agreement, while more divided attitudes suggest that widespread norms do not exist and people's attitudes are driven by their own socio-economic position. In each chapter we looked at effect heterogeneity among different socio-economic groups defined by household income (Chapter 2), employment insecurity (Chapter 3), occupational social status and gender (Chapter 4), and status-seeking (Chapter 5).

In Chapter 2 we showed that income inequality reduces solidarity among both the poor and rich towards the needy groups. While lower levels of solidarity among the poor could be explained from the neo-materialist perspective by suggesting that people have relatively less money and thus might be less interested in helping others, with the rich we can more safely conclude that some non-material elements also matter. Based on the literature, we think unequal contexts contain greater social distance and people find it harder to identify with the needy groups. Similarly, in Chapter 3 we see that in inegalitarian contexts (measured in terms of weak welfare state effort) secure workers in particular are less eager to contribute to the welfare of the unemployed. This again suggests that contextual inequality clearly matters not only for the disadvantaged but also for more advantaged social groups. Overall, the fact that attitudes of the advantaged social groups are also related to contextual inequality suggests that the neo-materialist perspective cannot be used to fully explain these associations. In other words, available resources and social security are not the only factors able to explain the findings – psychosocial mechanisms are also very plausible.

Furthermore, we can generally conclude that in egalitarian contexts people are more strongly in agreement that the weaker groups (e.g., the unemployed, elderly, sick and disabled) should benefit from solidarity, while in inegalitarian societies solidarity towards weaker social groups is less cohesive. Homogeneous attitudes towards solidarity in egalitarian contexts could be interpreted as an indication of a stronger societal norm to help the weaker groups, notwithstanding an individual's own position in the social hierarchy. Attitudes towards status-seeking, however, are more homogeneous in inegalitarian contexts, which suggests that there might be a more widespread social norm governing attainment of success and reputation in the eyes of others – a norm that is accepted by different social status groups.

### **6.3. Limitations and suggestions for future research**

While this dissertation makes a number of contributions to the literature – as discussed above – there are also several limitations that need to be addressed. In this section we discuss the main critical points and propose suggestions for future research.

One of the critical points concerns the definition and measurement of the concepts. One of the goals of this dissertation was to narrow the definition of solidarity to 'willingness to contribute to the welfare of other people'. We used three different indicators to capture solidarity according to this definition: a) Willingness to do something to improve the conditions of people in the community, the elderly, the sick and disabled, or immigrants (Chapter 2); b) Support for public unemployment benefits among employed people (Chapter 3); c) Importance of helping people and caring for others' well-being (Chapter 5). Although the general criterion was to make sure to narrow the definition of solidarity, there are reasons to believe that the different indicators of solidarity still capture different aspects of other-regarding orientations. As noted by Van der Meer and Tolsma (2014), one of the crucial reasons we find conflicting evidence in social science literature is that we use indicators, which despite our intentions, can capture variations of concepts or entirely different concepts from those intended. The same critique can also be applied to this dissertation and this might also explain why inequality is negatively associated with one type of solidarity and positively associated with another. While the indicators that we used were intended to capture 'willingness to contribute to the welfare of other people', there is a difference between a willingness to help whomever one pleases (e.g., generalized solidarity) and a willingness to help particular social groups (e.g., the sick and unemployed). Therefore, similar indicators may have different interpretations and this might contribute to the mixed evidence found both in this dissertation and more broadly in the literature. Only by being precise about the concepts, definitions and indicators can we specify the underlying (micro-level) theoretical mechanisms (Goldthorpe, 2001; Goldthorpe, 2010; Van der Meer and Tolsma, 2014). As a suggestion for future research, we would urge researchers to make a distinction between different types of solidarity. For example, we need to be explicit about

the target group of solidarity (e.g., friends or fellow countrymen) and we also need to take into account how solidarity is arranged (e.g., individually or collectively).

A similar criticism could be applied to the measurements of contextual inequality. One of the aims of this dissertation was to take a broader look at contextual inequality and define it both in terms of distributional and institutional aspects. We captured the distributional aspect of inequality in terms of income inequality, for which we used the Gini coefficient. While the Gini coefficient is a widely available measure indicating the average level of income inequality, it is also criticized for not capturing the structure of inequality to the fullest (Lupu and Pontusson, 2011; Salverda et al., 2014). We take this criticism into account in Chapter 4 where we use alternative income inequality measures, including income ratios and top income shares. The findings show that it is inequality at the top that matters for status-seeking, suggesting that the structure of inequality does matter for attitudinal outcomes. The limitation of this dissertation is that alternative income inequality measures were only used to study status-seeking and not solidarity. In future research, alternative income inequality measures should be applied to the solidarity measures as well. For example, Paskov and Dewilde (2013) validated the findings from Chapter 2, by showing that the negative association between inequality and solidarity towards the needy groups also holds when decile ratios are used to capture income inequality. Interestingly, this additional study also demonstrates that it is inequality at the top that is most strongly negatively associated with solidarity towards community members, the elderly, and the sick and disabled. This is an important additional insight, suggesting that the structure of inequality matters for solidarity. Furthermore, in addition to alternative income inequality indicators we might also need to utilize measures of wealth inequality in order to better capture economic inequality (Piketty, 2014). As a more general critique, Goldthorpe (2010) suggests that income and resources might not be the most important factors in defining societal hierarchies. Instead, hierarchies might also be structured by educational, occupational and other social-status related factors. Such indicators are yet to be developed.

The idea that there is a causal relationship between contextual inequality and societal outcomes is often criticized (Saunders, 2010). According to Saunders, other underlying cultural and historical factors could explain why countries have a certain level of inequality and certain societal characteristics. A similar examination could be applied to this dissertation by arguing that contextual inequality is not causally related to other-regarding and self-regarding attitudes but is influenced by other cultural and historical factors. At times we could account for countries' cultural and historical factors by observing trends within countries over time using pooled cross-sectional data, thereby we can be more confident that contextual inequality is related to self-regarding and other-regarding attitudes (in Chapter 4 and Chapter 5). However, some of our findings were limited to cross-sectional data from one point in time (Chapter 2 and Chapter 3). Another more complex problem is the possibility of a reversed causality. The theoretical mechanisms discussed



in this dissertation suggest that societal contexts influence attitudes and social relations, thereby affecting solidarity and self-oriented attitudes. However, there could also be a reverse relationship; dominant ideologies, attitudes and culture could also determine the development of welfare states (Rimlinger, 1971). Unfortunately current data do not allow us to test the direction of causality, however we hope that in the future more advanced methods to detect causality can be applied.

Finally, we also need more research to better understand the societal implications of varying status-seeking and solidarity attitudes. Merton (1968) argues that in societies where a strong status-attainment norm is coupled with a social structure that restricts attainability, adverse consequences might follow for a considerable part of the population, including an increased inclination towards delinquent behavior and crime. Similarly, Wilkinson and Pickett (2010) argue that status anxiety emerging in unequal contexts among different socio-economic groups could be a source of health problems and crime (Wilkinson and Pickett, 2010). There is some empirical evidence that both crime rates and health problems are more prevalent in unequal societies (Kawachi et al., 1999; Wilkinson, 2004; Wilkinson and Pickett, 2006). Our dissertation augments this discussion by showing that the underlying mechanism proposed in the literature – that inequality promotes status concerns – does hold to some extent. Nevertheless, we cannot say whether heightened status concerns promote crime and health problems. Increased status-seeking could also have positive implications by motivating people to attain more status via legitimate means and thereby promoting economic growth and social mobility. In the future it would be crucial to study whether increased status-seeking causes health problems and delinquent behavior or other consequences. Furthermore, we should investigate how the varying types of solidarity are related to outcomes such as support for redistribution and the welfare state. Based on our findings we speculated that individual-help based solidarity is in contrast with support for publicly arranged solidarity. These speculations need to be empirically investigated in future research.



# Appendices

## Appendices

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### Appendix A: Overview of macro data in Chapter 2.

| Country        | Observations | Gini        | GDP per capita | Social Expenditure |
|----------------|--------------|-------------|----------------|--------------------|
| Austria        | 1522         | 25.9        | 132            | 29                 |
| Belgium        | 1905         | 26.8        | 123            | 26.4               |
| Bulgaria       | 1000         | 25.1        | 28             | 15.1 (2005)        |
| Check Republic | 1902         | 25.2        | 72             | 18.6               |
| Denmark        | 1023         | 22.4        | 131            | 29.8               |
| Estonia        | 1005         | 35.9        | 43             | 15.4               |
| Finland        | 1017         | 23.8        | 115            | 26.3               |
| France         | 1615         | 26.8        | 115            | 29.9               |
| Germany        | 2034         | 26.5        | 121            | 29.5               |
| United Kingdom | 971          | 34.7        | 118            | 25.7               |
| Greece         | 1111         | 33.6        | 83             | 22.7               |
| Hungary        | 997          | 29.2        | 54             | 20.6               |
| Iceland        | 968          | 24.6 (2004) | 139            | 18.8               |
| Ireland        | 986          | 32.1        | 127            | 14.5               |
| Italy          | 2000         | 33.7        | 118            | 24.8               |
| Latvia         | 1013         | 32.2        | 36             | 17.2               |
| Lithuania      | 1018         | 32.7        | 39             | 15.7 (2000)        |
| Luxembourg     | 1211         | 26.3        | 238            | 20.5               |
| Malta          | 1002         | 30 (2000)   | 81             | 17.8               |
| Netherlands    | 1002         | 23.1        | 131            | 27.1               |
| Poland         | 1095         | 28.9        | 49             | 19.7 (2000)        |
| Romania        | 1146         | 27.3        | 26             | 13 (2000)          |
| Slovakia       | 1331         | 23.7        | 51             | 20.2               |
| Slovenia       | 1004         | 24.9        | 81             | 24                 |
| Spain          | 1200         | 33.7        | 96             | 19.8               |
| Sweden         | 1015         | 23.3        | 126            | 30.7               |

Notes: The data is for year 1999 or the closest year where data was attainable, year exceptions indicated in parentheses.

**Appendix B:** Interaction between inequality and income in determining solidarity<sup>a</sup>.

|                          | Community | Elderly   | Sick      | Immigrants |
|--------------------------|-----------|-----------|-----------|------------|
| Female (Ref.= Male)      | 0.038***  | 0.062***  | 0.046***  | 0.041***   |
|                          | [0.011]   | [0.010]   | [0.011]   | [0.012]    |
| Age                      | 0.003***  | 0.004***  | 0.002***  | -0.000     |
|                          | [0.000]   | [0.000]   | [0.000]   | [0.000]    |
| Married                  | 0.108***  | 0.088***  | 0.061***  | 0.045***   |
|                          | [0.011]   | [0.011]   | [0.011]   | [0.012]    |
| Employed                 | 0.016     | 0.031**   | 0.006     | -0.007     |
|                          | [0.014]   | [0.013]   | [0.014]   | [0.015]    |
| Retired                  | -0.001    | 0.005     | -0.006    | -0.034     |
|                          | [0.020]   | [0.019]   | [0.020]   | [0.022]    |
| Immigrant                | -0.041    | -0.115*** | -0.150*** | 0.371***   |
|                          | [0.029]   | [0.029]   | [0.029]   | [0.0321]   |
| Religiousness            | 0.092***  | 0.089***  | 0.097***  | 0.116***   |
|                          | [0.006]   | [0.005]   | [0.006]   | [0.006]    |
| Education                | 0.023***  | 0.013***  | 0.016***  | 0.068***   |
|                          | [0.003]   | [0.003]   | [0.003]   | [0.003]    |
| Income                   | 0.021***  | 0.018**   | 0.025***  | 0.029***   |
|                          | [0.006]   | [0.006]   | [0.006]   | [0.006]    |
| Income inequality (Gini) | -0.083**  | -0.078**  | -0.084**  | -0.043     |
|                          | [0.042]   | [0.038]   | [0.039]   | [0.054]    |
| GDP per capita           | 0.002**   | 0.001     | 0.001     | 0.004***   |
|                          | [0.001]   | [0.001]   | [0.001]   | [0.001]    |
| Social expenditure       | 0.003     | -0.002    | -0.005    | 0.007      |
|                          | [0.020]   | [0.009]   | [0.009]   | [0.012]    |
| Gini*Income              | 0.000     | 0.002***  | 0.002***  | 0.000      |
|                          | [0.001]   | [0.001]   | [0.001]   | [0.000]    |
| Constant                 | 3.316***  | 3.943***  | 4.142***  | 1.939***   |
|                          | [0.428]   | [0.391]   | [0.400]   | [0.551]    |
| N individuals            | 25734     | 25633     | 25586     | 25325      |
| N countries              | 26        | 26        | 26        | 26         |
| Log Likelihood           | -31502    | -30612    | -31008    | -33210     |

Notes:

Standard errors in parentheses

+ p<0.1, \* p<0.05, \*\* p<0.01, \*\*\* p<0.001

<sup>a</sup> Variables income and income inequality are centered around the mean

**Appendix C:** Mean score on perceived employment insecurity among workers with permanent and temporary contracts

|                | Workers with permanent contract | Workers with non-permanent contract | Difference |
|----------------|---------------------------------|-------------------------------------|------------|
| Cyprus         | 1.69                            | 1.78                                | 0.09       |
| Estonia        | 2.36                            | 2.46                                | 0.10       |
| Latvia         | 2.74                            | 2.87                                | 0.13       |
| United Kingdom | 1.74                            | 1.92                                | 0.18       |
| Denmark        | 1.55                            | 1.75                                | 0.20       |
| Norway         | 1.46                            | 1.74                                | 0.28       |
| Romania        | 1.94                            | 2.25                                | 0.31       |
| Slovenia       | 1.83                            | 2.15                                | 0.32       |
| Czech Republic | 2.16                            | 2.49                                | 0.33       |
| Switzerland    | 1.65                            | 2.01                                | 0.37       |
| Turkey         | 2.35                            | 2.74                                | 0.39       |
| Hungary        | 2.05                            | 2.45                                | 0.40       |
| Netherlands    | 1.50                            | 1.90                                | 0.40       |
| Ireland        | 1.91                            | 2.37                                | 0.46       |
| Belgium        | 1.72                            | 2.19                                | 0.47       |
| Germany        | 1.78                            | 2.25                                | 0.47       |
| Slovakia       | 1.94                            | 2.42                                | 0.48       |
| Finland        | 1.61                            | 2.15                                | 0.53       |
| Portugal       | 1.97                            | 2.50                                | 0.53       |
| Poland         | 1.97                            | 2.51                                | 0.54       |
| Bulgaria       | 2.23                            | 2.87                                | 0.65       |
| Croatia        | 1.91                            | 2.59                                | 0.68       |
| Greece         | 1.83                            | 2.61                                | 0.78       |
| France         | 1.88                            | 2.70                                | 0.82       |
| Spain          | 1.72                            | 2.53                                | 0.82       |
| Sweden         | 1.51                            | 2.40                                | 0.88       |

## Appendix D

### Definition of the OECD employment protection index (EPL)

The OECD employment protection indicators are compiled from 21 items covering three different aspects of employment protection:

- Individual dismissal of workers with regular contracts: incorporates three aspects of dismissal protection: (i) procedural inconveniences that employers face when starting the dismissal process, such as notification and consultation requirements; (ii) notice periods and severance pay, which typically vary by tenure of the employee; and (iii) difficulty of dismissal, as determined by the circumstances in which it is possible to dismiss workers, as well as the repercussions for the employer if a dismissal is found to be unfair (such as compensation and reinstatement).
- Additional costs for collective dismissals: most countries impose additional delays, costs or notification procedures when an employer dismisses a large number of workers at one time. This measure includes only additional costs which go beyond those applicable for individual dismissal. It does not reflect the overall strictness of regulation of collective dismissals, which is the sum of costs for individual dismissals and any additional cost of collective dismissals.
- Regulation of temporary contracts: quantifies regulation of fixed-term and temporary work agency contracts with respect to the types of work for which these contracts are allowed and their duration. This measure also includes regulation governing the establishment and operation of temporary work agencies and requirements for agency workers to receive the same pay and/or conditions as equivalent workers in the user firm, which can increase the cost of using temporary agency workers relative to hiring workers on permanent contracts.

### Appendix E: Overview of macro level variables for each country

| Country        | GDP | EPL  | EPL permanent | EPL temporary | URR  |
|----------------|-----|------|---------------|---------------|------|
| Belgium        | 116 | 2.61 | 1.94          | 2.67          | 0.56 |
| Bulgaria       | 44  |      |               |               | 0.52 |
| Cyprus         | 98  |      |               |               | 0.75 |
| Czech Republic | 81  | 2.32 | 3             | 1.71          | 0.50 |
| Denmark        | 125 | 1.91 | 1.53          | 1.79          | 0.63 |
| Estonia        | 69  | 2.39 | 2.27          | 2.17          | 0.49 |
| Finland        | 119 | 2.29 | 2.38          | 2.17          | 0.60 |
| France         | 107 | 3    | 2.6           | 3.75          | 0.70 |
| Germany        | 116 | 2.63 | 2.85          | 1.96          | 0.71 |
| Greece         | 93  | 2.97 | 2.28          | 3.54          | 0.42 |
| Hungary        | 64  | 2.11 | 1.82          | 2.08          | 0.43 |
| Ireland        | 132 | 1.39 | 1.67          | 0.71          | 0.55 |
| Latvia         | 58  |      |               |               | 0.48 |
| Netherlands    | 134 | 2.23 | 2.73          | 1.42          | 0.72 |
| Norway         | 192 | 2.65 | 2.2           | 3             | 0.71 |
| Poland         | 56  | 2.41 | 2.01          | 2.33          | 0.26 |
| Portugal       | 78  | 2.84 | 3.51          | 2.54          | 0.76 |
| Romania        | 47  |      |               |               | 0.48 |
| Slovakia       | 73  | 2.13 | 2.45          | 1.17          | 0.58 |
| Slovenia       | 91  | 2.76 | 2.98          | 2.5           | 0.64 |
| Spain          | 104 | 3.11 | 2.38          | 3.83          | 0.68 |
| Sweden         | 124 | 2.06 | 2.72          | 0.71          | 0.55 |
| Switzerland    | 63  | 1.77 | 1.19          | 1.5           | 0.76 |
| Turkey         | 47  | 3.46 | 2.48          | 4.88          |      |
| United Kingdom | 113 | 1.09 | 1.17          | 0.29          | 0.39 |







Summary  
**Self-regarding and  
other-regarding attitudes:  
the role of contextual inequality**

### Research objectives

One of the fundamental questions of contemporary Western societies is: how does societal context impact people's attitudes and behavior? In recent decades the topic of contextual inequality – a concept referring to a distribution or access to resources and life chances – has received considerable attention around the world. There is now robust empirical evidence that contextual inequality differs substantially between countries and perhaps more notably – that in the last three decades inequalities have been rising in most wealthy societies (Atkinson and Piketty, 2007; OECD, 2009; OECD, 2011; Piketty, 2014; Salverda et al., 2014). Large variations in inequality have raised questions about the potential consequences of egalitarian and inegalitarian contexts for individuals and societies (Neckerman and Torche, 2007; Salverda et al., 2014; Wilkinson and Pickett, 2010). One of the underlying concerns put forward by Wilkinson and Pickett (2010) is that inequality might have psychosocial consequences. For example, inequality could harm social relationships and lead people to be less caring of each other, or the competitive nature of unequal societies could be causing stress, anxiety, and self-focus. Despite heightened worries about the implications of contextual inequality for various outcomes, the underlying ideas, for example, that inequality could be associated with more self-focus and less caring for others, are rarely empirically studied. Thus, we do not know, for example, whether people are indeed more self-regarding and less other-regarding in unequal contexts. The main objective of this dissertation was to shed light on this question by studying the role of contextual inequality for self-regarding and other-regarding attitudes. The overarching questions of this dissertation are the following: 1) What is the role of distributional and institutional contextual inequality for self-regarding and other-regarding attitudes? 2) How do these contextual effects on attitudes vary by individual socio-economic position?

Furthermore, this dissertation aimed to achieve progress in several respects including five main contributions in conceptual and methodological aspects. First, this dissertation aimed to clarify the concepts of self-oriented and other-regarding attitudes. Generally defined, a self-regarding attitude refers to one's focus on personal advantage. It includes aspirations for resources, personal success, status and prestige and more generally it refers to an emphasis on personal welfare or well-being. An other-regarding attitude is broadly defined as a willingness to contribute to the welfare or well-being of others. Other-regarding attitudes are also defined in the literature as 'prosocial attitudes' and 'solidarity', which are concepts that are used interchangeably throughout this dissertation. We rely on Lindenberg (2006: 24), who argues that the concept of 'solidarity' can be equated with the concept of 'prosociality'; they both refer to attitudes and/or behavior *"assumed to be intentionally beneficial to others (not necessarily without self-interest) and involving some sacrifice"*.

Second, the aim was to take a broader look at the concept of contextual inequality that refers to the division and access to life chances within a society. We are not only analyzing the

distributional aspects of inequality (i.e., income inequality) but also the institutional aspects of inequality (i.e., welfare state effort). By including alternative indicators of contextual inequality we have a more comprehensive view of egalitarian and inegalitarian societal arrangements. We interpret societal contexts characterized by greater income equality and more governmental welfare effort to protect citizens as egalitarian and contexts with higher levels of income disparities and weaker governmental effort in providing social security as inegalitarian.

Third, the aim of this dissertation was to bring the theoretical mechanisms or ‘causal narratives’ (Goldthorpe, 2001) to the fore when discussing the association between contextual inequality and attitudinal outcomes. The mechanisms discussed utilize an actor-centered causal narrative to illustrate how contextual inequality could matter for self-regarding or other-regarding attitudes. These mechanisms could not always be tested explicitly but they provide an important theoretical context.

Fourth, the aim was to study whether there are differences in the association between contextual inequality and attitudinal outcomes by individuals’ own position in the social hierarchy. This question of ‘effect heterogeneity’ also tells us whether solidary or self-oriented attitudes among different socio-economic groups converge or diverge.

Fifth, in this dissertation we aimed to make an empirical contribution by investigating not only cross-sectional data for one period in time but also by employing surveys over longer periods. This approach enabled us to come closer to finding out whether there is a robust relationship between contextual inequality and attitudinal outcomes.

### **Theoretical mechanisms to explain the role of contextual inequality for self-regarding and other-regarding attitudes**

In order to understand how contextual inequality and attitudes are related, it is important to consider the ‘causal narratives’ or mechanisms that provide an actor-centered explanation as to how contextual inequality could alter attitudinal outcomes (Goldthorpe, 2001). When it comes to the literature on the association between contextual inequality and solidarity, we can generally distinguish between two conflicting perspectives. From one perspective, the literature suggests that there should be less solidarity in unequal contexts and more solidarity in equal contexts. Inequality is argued to break social relationships and solidarity by increasing social distance between different socio-economic groups, reducing the feeling of identification with fellow countrymen, and lowering trust (Alesina et al., 2001; Larsen, 2008; Neckerman and Torche, 2007; Rothstein and Uslaner, 2005; Schubert and Tweed, 2004). Furthermore, Wilkinson and Pickett (2010) suggest greater income differences are likely to add to status competition and concerns about one’s relative position in the status hierarchy. Such ‘status anxiety’ is likely to lead to less other-regarding and more self-regarding attitudes and behavior. In addition to affecting social relationships, the literature also suggests that societal context can have a normative effect, meaning that if a

society is more egalitarian, then people may adjust their attitudes and internalize the notion that egalitarian values – such as solidarity – are important and worth pursuing (Mau, 2004; Osberg and Smeeding, 2006; Rothstein, 1998; Svallfors, 2012; Titmuss, 1968). From this perspective, equal contexts could crowd-in solidary attitudes, while unequal contexts would weaken solidary attitudes.

From another perspective, however, the crowding-out theory suggests that egalitarian arrangements can have adverse consequences by lowering the incentive to help others. As the state provides social security people will be less reliant on interpersonal relations and thus less likely to offer help to others (Arts et al., 2003). At the same time solidarity might develop in unequal contexts to compensate for the lack of national social support systems. If a society is unequal, people might feel highly insecure and thus support more state-sponsored solidarity or be more solidary with others hoping for reciprocation. Related to this is the idea that welfare effort also has adverse moral consequences, causing people to think that helping the weak is the responsibility of the state and not that of an individual, while in unequal contexts people would be more eager to take individual responsibility for taking care of others. Furthermore, to the extent that people are aware of the interdependencies characteristic for modern societies, a higher level of inequality should be related to a higher willingness to help others. Overall, based on these theoretical ideas we would expect solidarity to be higher in unequal contexts, and egalitarian contexts can be expected to crowd out solidary attitudes.

### **Research design**

This dissertation is based on a quantitative empirical analysis using comparative high quality cross-national surveys that have been collected (sometimes repeatedly) within countries. We relied on two surveys: the European Social Survey and the European Values Study. We used three different indicators to capture solidarity: a) Willingness to do something to improve the conditions of people in the community, the elderly, the sick and disabled, or immigrants (Chapter 2); b) Support for public unemployment benefits among employed people (Chapter 3); c) Importance of helping people and caring for others' well-being (Chapter 5). Status-seeking is captured with an index expressing individuals' desire for respect, admiration and recognition from other people. For income inequality we used a Gini-coefficient, which is widely used indicator that ranges from 0 (everyone has the same income) to 1 (one person owns all the income). The Gini is based on disposable equalized household income and is attained from the Standardized World Income Inequality Database (SWIID) (Solt, 2009b). In parts of the dissertation we also included alternative distributional indicators of income inequality that reflect ratios between the top and the bottom income groups, as well as top income shares (see Chapter 4). For institutional inequality, instead of the welfare regime typologies (Esping-Andersen, 1990), we prefer more specific welfare state effort indicators: welfare state expenditure measured as a percentage from the GDP,

unemployment benefits replacement rate (Van Vliet and Caminada, 2012) and employment protection legislation (OECD, 2004). The combination of individual level survey data with macro level indicators and using hierarchical modeling, allowed us to study whether particular aspects of societal contexts matter for people's attitudes and behavior.

### **Main findings and theoretical implications**

The first central contribution of this dissertation is the finding that inequality is associated with more status-seeking. Recent literature suggests that inequality promotes adverse consequences – such as health problems and crime – because larger income differences are likely to add to status competition and concerns about one's relative position in the status hierarchy, also referred to as 'status anxiety' (Merton, 1968; Wilkinson and Pickett, 2010). The findings of this dissertation provide some support for the theory by showing that in unequal societies status-seeking is indeed more prevalent, especially among men. Furthermore, we show that it is inequality at the top, in particular, that matters for heightened status-seeking. This is an important addition as it is consistent with the suggestion that people compare themselves with those higher up in the social hierarchy and that people at the top set the standards for others (Veblen, 1931).

The second central contribution of this dissertation is to add to our understanding about the complex relationship between inequality and solidarity. On the one hand, the results suggest that in egalitarian contexts people are more solidary towards particular (weaker) social groups (e.g., the unemployed, community members, the elderly, the sick and disabled), while solidarity towards these groups is lower in inegalitarian contexts. This finding affirms the idea that inequality creates social distance and makes it harder for people to identify with others, which could explain why people are less eager to contribute to the well-being of others in unequal contexts. These findings also support the crowding-in perspective – that in more egalitarian societies people have internalized the norm that helping the needy is a collective responsibility.

On the other hand, generalized solidarity – reflecting an overall positive attitude towards helping others – appears to be lower in egalitarian contexts and higher in inegalitarian contexts. The latter suggests that when the context is egalitarian, people are less likely to characterize themselves as enjoying helping others and caring for their well-being. This finding is in accordance with the crowding-out perspective that in egalitarian contexts – where social security and social equality are already provided – people will be less motivated to help each other. We conclude that when a society has a strong welfare provision and is relatively equal, people are disinclined to claim that caring for others is personally important to them; instead, people seem to think that the state is responsible for taking care of the needy. When a society is unequal and there is little state support, however, people are more eager to identify themselves as caring people. It could be that in inegalitarian contexts individual solidarity develops as an alternative to the lack of state-

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organized solidarity, or that in egalitarian contexts people abdicate individual responsibility for helping others because solidarity is already arranged by the state.

Furthermore, we can generally conclude that in egalitarian contexts people are more strongly in agreement that the weaker groups (e.g., the unemployed, elderly, sick and disabled) should benefit from solidarity, while in inegalitarian societies solidarity towards weaker social groups is less cohesive. Homogeneous attitudes towards solidarity in egalitarian contexts could be interpreted as an indication of a stronger societal norm to help the weaker groups, notwithstanding an individual's own position in the social hierarchy. Attitudes towards status-seeking, however, are more homogeneous in inegalitarian contexts, which suggests that there might be a more widespread social norm governing attainment of success and reputation in the eyes of others – a norm that is accepted by different social status groups. The fact that attitudes of both the advantaged and disadvantaged social groups are related to contextual inequality suggests that available resources and social security are not the only factors able to explain the role of inequality for attitudinal outcomes – psychosocial implications are also very plausible.







Nederlandse samenvatting  
(Dutch summary)  
**Op zichzelf gerichte en op  
anderen gerichte attitudes:  
de rol van contextuele ongelijkheid**

## Onderzoeksvragen

Een van de fundamentele vragen van hedendaagse Westerse samenlevingen is: hoe beïnvloedt de maatschappelijke context de attitudes en het gedrag van mensen? In de laatste decennia heeft het thema contextuele ongelijkheid – een concept dat verwijst naar een distributie van of toegang tot hulpbronnen en kansen- wereldwijd aanzienlijk veel aandacht gekregen. Er is nu robuust empirisch bewijs dat contextuele ongelijkheid substantieel verschilt tussen landen en misschien opmerkelijker – dat in de welvarendste samenlevingen ongelijkheden de laatste drie decennia zijn toegenomen (Atkinson en Piketty, 2007; OECD, 2009; OECD, 2011; Piketty, 2014; Salverda et al., 2014). Grote verschillen in ongelijkheid hebben vraagtekens opgeroepen over de mogelijke gevolgen van egalitaire en ongelijke contexten voor individuen en samenlevingen (Neckerman en Torche, 2007; Salverda et al., 2014; Wilkinson en Pickett, 2010). Eén van de onderliggende zorgen die door Wilkinson en Pickett (2010) naar voren wordt gebracht is dat ongelijkheid psychosociale consequenties zou kunnen hebben. Ongelijkheid zou bijvoorbeeld schade toe kunnen brengen aan sociale relaties en ertoe leiden dat mensen minder behulpzaam naar anderen zijn, of de competitieve aard van ongelijke samenlevingen zou stress, angst en zelf-focus kunnen veroorzaken. Ondanks verhoogde bezorgdheid over de implicaties van contextuele ongelijkheid voor verschillende uitkomsten, zijn de onderliggende ideeën – bijvoorbeeld dat ongelijkheid samen zou kunnen hangen met meer zelf-focus en minder behulpzaamheid ten opzichte van anderen- nauwelijks empirisch bestudeerd. Zodoende weten we bijvoorbeeld niet of mensen inderdaad meer op zichzelf en minder op anderen gericht zijn in ongelijke contexten. De belangrijkste doelstelling van dit proefschrift was om duidelijkheid te verkrijgen over deze vraag door de rol van contextuele ongelijkheid voor op zichzelf gerichte en op anderen gerichte attitudes te bestuderen. De overkoepelende vragen van dit proefschrift zijn: 1) Welke rol spelen distributionele- en institutionele contextuele ongelijkheid voor op zichzelf gerichte en op anderen gerichte attitudes? 2) Hoe verschillen deze contextuele effecten op attitudes op basis van de individuele socio-economische positie?

Daarnaast is dit proefschrift erop gericht in meerdere opzichten vooruitgang te boeken, met name door vijf contributies in conceptuele en methodologische aspecten. Ten eerste was het doel van dit proefschrift het ophelderen van de concepten op zichzelf gerichte en op anderen gerichte attitudes. Een op zichzelf gerichte focus verwijst naar iemands focus op persoonlijk gewin. Het omvat aspiraties voor hulpbronnen, persoonlijk succes, status en prestige en in algemenere zin verwijst het naar een nadruk op persoonlijke welvaart of welzijn. Een op anderen gerichte attitude wordt gedefinieerd als de bereidheid om bij te dragen aan het welzijn of welzijn van anderen. Op anderen gerichte attitudes worden in de literatuur ook gedefinieerd als ‘pro-sociale attitudes’ en ‘solidariteit’. Deze twee concepten zijn in het proefschrift afwisselend gebruikt. We beroepen ons op Lindenberg (2006:24), die stelt dat het concept ‘solidariteit’ gelijk gesteld kan worden aan ‘pro-socialiteit’; beide

concepten verwijzen naar attitudes en/of gedrag veronderstelt met opzet voordelig te zijn voor anderen (niet noodzakelijk zonder zelf-interesse) en uit enige opoffering te bestaan.

De tweede doelstelling was om met een brede blik naar het concept contextuele ongelijkheid zoals dat verwijst naar de distributie van en toegang tot kansen in een samenleving te kijken. We analyseren niet alleen de aspecten van ongelijkheid die betrekking hebben op de distributie (i.e., inkomensongelijkheid), maar ook de institutionele aspecten van ongelijkheid (i.e., sociale zekerheidssystemen). Door alternatieve indicatoren van contextuele ongelijkheid in beschouwing te nemen hebben we een meeromvattende blik van egalitaire en ongelijke maatschappelijke inrichtingen. We interpreteren sociale contexten gekenmerkt door grotere inkomensongelijkheid en meer sociale zekerheidssystemen om burgers te beschermen als egalitair en contexten met hogere inkomensongelijkheidsniveaus en zwakkere sociale zekerheidssystemen als ongelijk.

De derde doelstelling van dit proefschrift was om theoretische mechanismen of ‘causale narratieven’ (Goldthorpe, 2001) naar voren te brengen bij het bespreken van de samenhang tussen contextuele ongelijkheid en uitkomsten van attitudes. De besproken mechanismen hanteren een op van de actor uitgaand causaal narratief om te illustreren hoe contextuele ongelijkheid uit zou kunnen maken voor op zichzelf gerichte en op anderen gerichte attitudes. Deze mechanismen konden niet in alle gevallen expliciet getoetst worden, maar ze voorzien in een belangrijke theoretische context.

Ten vierde was het doel om te bestuderen of er verschillen zijn in de samenhang tussen contextuele ongelijkheid en uitkomsten met betrekking tot attitudes op basis van de positie van individuen in de sociale hiërarchie. Deze ‘heterogene effecten’ kwestie laat ook zien of solidariteit of op zichzelf gerichte attitudes voor verschillende sociaaleconomische groepen samenvallen of uiteen lopen.

Ten vijfde heeft dit proefschrift zich erop gericht een empirische bijdrage te leveren door niet alleen cross-sectionele data over één periode te analyseren, maar ook gebruik te maken van langere termijn ondervragingen. Deze aanpak heeft ons in staat gesteld beter te weten te komen of er een robuuste relatie bestaat tussen contextuele ongelijkheid en uitkomsten met betrekking tot attitudes.

### **Theoretische mechanismen om de rol van contextuele ongelijkheid voor op zichzelf gerichte en op anderen gerichte attitudes te verklaren**

Om te begrijpen hoe contextuele ongelijkheid en attitudes aan elkaar gerelateerd zijn is het belangrijk om de ‘causale narratieven’, oftewel de mechanismen die een van de actor uitgaande verklaring geven van hoe contextuele ongelijkheid attitudes zou kunnen beïnvloeden, in beschouwing te nemen (Goldthorpe, 2001). Als het op de literatuur over de samenhang tussen contextuele ongelijkheid en solidariteit aankomt, kunnen we in het algemeen onderscheid maken tussen twee tegengestelde perspectieven. Vanuit één perspectief suggereert de literatuur dat er minder solidariteit zou moeten zijn in ongelijke

contexten en meer solidariteit in gelijke contexten. Van ongelijkheid wordt aangenomen dat het sociale relaties en solidariteit af breekt door de toenemende sociale afstand tussen verschillende sociaaleconomische groepen, een afnemend gevoel van identificatie met landgenoten en een vermindering in vertrouwen (Alesina et al., 2001; Larsen, 2008; Neckerman en Torche, 2007; Rothstein en Uslaner, 2005; Schubert en Tweed, 2004). Bovendien opperen Wilkinson en Pickett (2010) dat grotere inkomensongelijkheden waarschijnlijk een bijdrage leveren aan status competitie en ongerustheid van mensen over hun relatieve positie in de status hiërarchie. Dergelijke 'statusangst' leidt vermoedelijk tot minder op anderen gerichte en meer op zichzelf gerichte attitudes en gedrag. Naast het beïnvloeden van sociale relaties suggereert de literatuur ook dat de maatschappelijke context een normatief effect kan hebben, hetgeen betekent dat als een samenleving egalitaarder is mensen hun attitudes mogelijk aanpassen en de notie dat egalitaire waarden – zoals solidariteit- belangrijk zijn en de moeite waard om na te streven internaliseren (Mau, 2004; Osberg en Smeeding, 2006; Rothstein, 1998; Svallfors, 2012; Titmuss, 1968). Vanuit dit perspectief zouden gelijke contexten attitudes van solidariteit bevorderen ('crowding-in') terwijl ongelijke contexten attitudes van solidariteit zouden laten verdringen.

Vanuit een ander perspectief suggereert de verdringingstheorie ('crowding-out' theory) echter dat egalitaire inrichtingen nadelige gevolgen kunnen hebben doordat ze prikkels/stimulansen om anderen te helpen verminderen. Wanneer de staat in sociale zekerheid voorziet zullen mensen minder afhankelijk zijn van interpersoonlijke relaties en zodoende minder snel hulp bieden aan anderen (Arts et al., 2003). Tegelijkertijd zou solidariteit toe kunnen nemen in ongelijke contexten als compensatie voor het tekort aan nationale sociale vangnetten. Als een samenleving ongelijk is kunnen mensen zich erg onzeker voelen en daardoor meer steun verlenen aan door de staat gefinancierde solidariteit of meer solidariteit met anderen tonen in de hoop op wederkerigheid. Hieraan gerelateerd is het idee dat sociale zekerheidssystemen ook nadelige morele gevolgen hebben; mensen denken dat het helpen van de zwakken de verantwoordelijkheid is van de staat en niet van het individu, terwijl in een ongelijke context mensen bereidwilliger zouden zijn om individuele verantwoordelijkheid te nemen om anderen te helpen. Bovendien, voor zover mensen zich bewust zijn van de verbondenheid die moderne samenlevingen karakteriseert, zou een hoger ongelijkheidsniveau gerelateerd moeten zijn aan een grotere bereidheid om anderen te helpen. Op basis van deze theoretische ideeën verwachten we dat solidariteit hoger is in ongelijke contexten en dat egalitaire contexten naar verwachting attitudes van solidariteit verdringen ('crowding-out').

**Onderzoeksopzet**

Dit proefschrift is gebaseerd op kwantitatieve empirische analyses waarbij gebruik wordt gemaakt van cross-nationale survey data van hoge kwaliteit die (soms herhaaldelijk) verzameld zijn binnen landen. We maken gebruik van twee databronnen: de 'European Social Survey' en de 'European Values Study'. We hebben drie verschillende indicatoren van solidariteit gebruikt: a) bereidheid om iets te doen om de omstandigheden van mensen in de gemeenschap, ouderen, zieken en gehandicapten of immigranten te verbeteren (hoofdstuk 2); b) steun voor werkloosheidsuitkeringen van de overheid onder werkende mensen (hoofdstuk 3); c) het belang van het helpen van mensen en zorg dragen voor het welzijn van anderen (hoofdstuk 5). Het streven naar status wordt gemeten met een index van het verlangen van individuen naar respect, bewondering en erkenning van anderen. Voor inkomensongelijkheid gebruiken we een Gini-coëfficiënt, wat een veel gebruikte indicator is met waarden tussen 0 (iedereen heeft hetzelfde inkomen) en 1 (één persoon is in bezit van al het inkomen). De Gini is gebaseerd op het gestandaardiseerd besteedbaar huishoudensinkomen en is afkomstig uit de 'Standardized World Income Inequality Database' (SWIID) (Solt, 2009b). In delen van het proefschrift voegen we ook een alternatieve distributionele indicator van inkomensongelijkheid toe die zowel de ratio's tussen de bovenste en onderste inkomensgroepen als het aandeel van top inkomens weergeeft (zie hoofdstuk 4). In plaats van de verzorgingsstaat regimes (Esping-Anderson, 1990), verkiezen we voor institutionele ongelijkheid specifiekere indicatoren van sociale zekerheidssystemen: uitgaven voor de verzorgingsstaat gemeten als een percentage van het BNP, vervangings-ratio van werkloosheidsuitkeringen (Van Vliete en Caminada, 2012) en wetgeving inzake arbeidsbescherming (OECD, 2004). Door individuele survey data met macro niveau indicatoren te combineren en hiërarchische modellen te gebruiken was het mogelijk te bestuderen of bepaalde aspecten van de maatschappelijke context uitmaken voor de attitudes en het gedrag van mensen.

**Belangrijkste bevindingen en theoretische implicaties**

De eerste centrale bijdrage van dit proefschrift is de bevinding dat ongelijkheid samenhangt met een hogere mate van streven naar status. Recente literatuur doet geloven dat ongelijkheid nadelige consequenties stimuleert – zoals gezondheidsproblemen en criminaliteit – omdat grotere inkomensverschillen waarschijnlijk bijdragen aan status competitie en de bezorgdheid van mensen over hun relatieve positie in de status hiërarchie, ook wel bekend als 'statusangst' (Merton, 1968; Wilkinson and Pickett, 2010). De bevindingen van dit proefschrift ondersteunen deze theorie tot op zekere hoogte door aan te tonen dat in ongelijke samenlevingen het streven naar status inderdaad vaker voorkomt, met name onder mannen. Bovendien laten we zien dat het met name ongelijkheid aan de bovenkant is wat van belang is voor een hogere mate van streven naar status. Dit is een belangrijke toevoeging aangezien het consistent is met de het idee dat mensen zichzelf vergelijken met degenen die zich hoger in de sociale hiërarchie bevinden en dat mensen aan de bovenkant

de standaard voor anderen zetten (Veblen, 1931).

De tweede centrale contributie van dit proefschrift is om bij te dragen aan ons begrip van de complexe relatie tussen ongelijkheid en solidariteit. Enerzijds brengen de resultaten naar voren dat in egalitaire contexten mensen solidairder zijn met bepaalde (zwakkere) sociale groepen (e.g., werklozen, gemeenschapsleden, ouderen, zieken en gehandicapten), terwijl solidariteit ten opzichte van deze groepen lager is in ongelijke contexten. Deze bevinding bevestigt het idee dat ongelijkheid sociale afstand creëert en het moeilijker maakt voor mensen zich te identificeren met anderen, hetgeen mogelijk verklaart waarom mensen minder graag bijdragen aan het welzijn van anderen in ongelijke contexten. Deze bevindingen ondersteunen ook het 'crowding-in' perspectief dat mensen in egalitairdere samenlevingen de norm dat hulpbehoevenden een gezamenlijke verantwoordelijkheid is hebben geïnternaliseerd.

Anderzijds lijkt veralgemeende solidariteit – er een overwegend positieve attitude ten opzichte van het helpen van anderen op nahouden – lager te zijn in egalitaire contexten en hoger in ongelijke contexten. Laatstgenoemde suggereert dat wanneer de context egalitair is, mensen zichzelf minder snel kenmerken als iemand die plezier beleeft aan het helpen van anderen en zorg te dragen voor hun welzijn. Deze bevinding komt overeen met het verdringingsperspectief ('crowding out') dat in egalitaire contexten – waar al voorzien is in sociale zekerheid en sociale gelijkheid – mensen minder gemotiveerd zullen zijn om elkaar te helpen. We concluderen dat wanneer een samenleving een sterk systeem van sociale voorzieningen heeft en relatief gelijk is, mensen minder geneigd zijn om te stellen dat behulpzaam zijn naar anderen van persoonlijk belang is en in plaats daarvan te denken dat de staat verantwoordelijk is behulpzaam te zijn voor de hulpbehoevenden. Als een samenleving ongelijk is en er weinig steun is van de staat zijn mensen daarentegen meer geneigd zichzelf te identificeren als behulpzaam. Het zou kunnen dat in ongelijke contexten individuele solidariteit zich ontwikkelt als een alternatief voor het gebrek aan door de staat georganiseerde solidariteit, of dat in egalitaire contexten mensen afstand doen van individuele verantwoordelijkheid om anderen te helpen omdat solidariteit al geregeld wordt door de staat.

Bovendien kunnen we in het algemeen concluderen dat in egalitaire contexten mensen het meer met elkaar eens zijn dat zwakkere groepen (e.g., werklozen, ouderen, zieken en gehandicapten) profijt zouden moeten hebben van solidariteit, terwijl in ongelijke samenlevingen solidariteit ten opzichte van zwakkere sociale groepen minder samenhangend is. Homogene attitudes ten aanzien van solidariteit in egalitaire contexten zou geïnterpreteerd kunnen worden als een teken van een sterkere sociale norm om de zwakkere groepen te helpen, onafhankelijk van iemands eigen positie in de sociale hiërarchie. Attitudes ten aanzien van het nastreven van status zijn echter homogener in ongelijke contexten, hetgeen suggereert dat er een meer wijdverspreide sociale norm zou kunnen zijn die het behalen van succes en reputatie in de ogen van anderen door regeert



– een norm die is geaccepteerd door verschillende sociale status groepen. Het feit dat attitudes van zowel de bevoorrechte en de achtergestelde sociale groepen gerelateerd zijn aan contextuele ongelijkheid doet geloven dat de beschikbare hulpbronnen en sociale zekerheid niet de enige factoren zijn die de rol van ongelijkheid voor uitkomsten in attitudes kunnen verklaren – psychosociale implicaties zijn ook erg aannemelijk.



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## Self-regarding and other-regarding attitudes: The role of contextual inequality

This dissertation presents a comparative study concerning the role of contextual inequality for self-regarding and other-regarding individual attitudes. Contextual inequality is expressed in terms of distributional and institutional factors – income inequality and welfare state effort on a national level. The central question is whether self-regarding attitudes and people’s eagerness to contribute to the welfare of others are more prevalent in egalitarian or inegalitarian societies, and whether these ‘contextual effects’ vary depending on individuals’ own socio-economic status. The research is based on quantitative analysis using data from international comparative surveys in the European region and employing advanced statistical methods. The combination of between- and within-country over-time empirical evidence adds to the strength of the findings of this dissertation. This dissertation demonstrates that people differ in their solidary pursuits and self-regarding pursuits, and contextual inequality can explain some of these differences. There is some evidence that self-orientation in terms of status-seeking is more prevalent in inegalitarian contexts. The findings for solidary attitudes are more mixed and depend on particular circumstances and the type of solidarity. The results suggest that in inegalitarian contexts people are less solidary towards particular (weaker) social groups (e.g., the unemployed and the sick); generalized solidarity, however, appears to be higher in inegalitarian contexts.

**Marii Paskov** is a sociologist and postdoctoral researcher at the Institute for New Economic Thinking at the University of Oxford, where she is conducting research in the field of socio-economic inequality.