

# **The future of the welfare state: paths of social policy innovation between constraints and opportunities**

Urbino, 17-19 September 2009

## **Immigration, trust and support for the welfare state: Multilevel analysis of 22 European nations**

Ervasti Heikki

Paper presented at the 7th ESPAnet conference 2009

Stream nr. 7A - The Role of Welfare Attitudes in Welfare State Change

**Immigration, trust and support for income redistribution: Multilevel analysis of 21  
European nations**

Paper prepared for 7 Annual ESPAnet Conference, Urbino, 17-19 September 2009

Heikki Ervasti

Department of Social Policy

University of Turku

[heikki.ervasti@utu.fi](mailto:heikki.ervasti@utu.fi)

Preliminary draft – pls do not quote

All comments welcome

# **Immigration, trust and support for income redistribution: Multilevel analysis of 21 European nations**

## 1. Introduction

Rising levels of immigration have indispensable social, political and economic consequences in all European countries. Not only the immigrants but also the natives of the countries receiving new-comers have to adapt to the new situation. Social policies and the welfare state, among other institutions, face new challenges, and much depends on the attitudinal climate among the majority populations of European countries. This paper is about what, if anything happens to public opinion about the welfare state in European countries in conditions of increasing immigration.

More than often it is claimed that one of the major challenges facing European welfare states is how to maintain and strengthen the bonds of solidarity in ethnically diverse societies. A commonly expressed fear is that European welfare states will be “Americanized”, as increasing ethnic heterogeneity will make it impossible to preserve the interpersonal trust and social solidarity needed to maintain the welfare state. The ways in which increasing immigration affects peoples’ behaviour and attitudes are not yet understood properly, but recently rising levels of immigration have been commonly connected with proliferating anti-solidarity.

This paper puts the hypothesis about increasing anti-solidarity into an empirical test. This hypothesis suggests that immigration leads to declining levels of trust and solidarity in society, mainly because people see an increasing part of welfare benefits being targeted to immigrants. Declining interpersonal trust and solidarity lead to increasing welfare chauvinism i.e. fear that new immigrant groups take away jobs and social security benefits and services. Gradually, according to the anti-solidarity hypothesis, public support for the welfare state and redistributive policies will erode.

Theoretically, however, the anti-solidarity hypothesis may be contested with two other hypotheses. First, it is well possible that increasing immigration does not necessarily lead to a decline of solidarity or demise of interpersonal trust. This view is especially promoted by the classic contact theory according to which multiplying contacts with new-comers increase tolerance and solidarity towards them. Secondly, in contrast to the anti-solidarity hypothesis, it may be questioned if immigration really leads to repudiation of the welfare state. The so-called compensation hypothesis claims that as immigration generates more competition on certain scarce resources, like especially jobs, many people perceive increasing personal risks and turn to support the welfare state even more, not less, than previously.

The aim of this paper is to compare these three hypotheses empirically with recent European empirical survey data. The context of this study is the European continent, and therefore the analysis is sensitive to country level differences. European countries differ notably according to a range of economic, social and demographic characters like for

example economic growth, the type of the welfare state, levels of inequality, poverty and unemployment, as well as proportions of foreign-born populations. All these characters may not only affect the integration of immigrants but also interpersonal trust, attitudes towards immigration and support for the welfare state may depend on them. Although the possible consequences of immigration on public opinion have raised a considerable amount of interest among scholars recently, not much attention has been directed to country level differences in these effects. Using multilevel methods of analysis, this paper explores the effects of a variety of country-level determinants on trust and support for the welfare state in addition to the more standard individual-level factors.

The paper is structured as follows: The next section discusses in more detail the anti-solidarity hypothesis and its rivals, the integration and the compensation hypotheses. After this, in section 3, the focus shifts to the country-level and individual-level background variables, which can be expected to effect individuals' levels of trust and attitudes towards immigrants and the welfare state. Methodological issues, variables and data are described in section 4. Empirical results are presented in section 5. Section 6 concludes.

## 2. Hypotheses

Basically the anti-solidarity hypothesis consists of two parts: First, the hypothesis suggests that as immigration increases, the native residents' reactions towards immigrants are more or less negative and the fundamental social solidarity and interpersonal trust

among the residents of the country are violated. This is enhanced by native's observations that a disproportional part of welfare policies is directed to immigrants. Welfare chauvinism is spreading among natives. After this, in the second phase, support for the welfare state decreases. At least two theoretical approaches question this causal chain. The contact theory questions the first part of the anti-solidarity hypothesis by offering a more optimistic view of inter-group attitudes. It may well be possible that unlike the anti-solidarity hypothesis suggests, many people hold tolerant or even positive stances towards immigration. The compensation hypothesis throws doubt on the second part of the anti-solidarity hypothesis by suggesting that even if attitudes towards immigrants and their relation to the welfare state may increasingly critical this does not generate opposition towards redistributive policies. In fact, it may be possible that increasing immigration stimulates more demands on the welfare state. In the following the anti-solidarity hypothesis and the two rival hypotheses are discussed in more detail.

### 2.1. Anti-solidarity hypothesis

Social policy analysts have long accentuated the notions of community and mutual obligations and associated feelings of trust as the fundamentals of the welfare state. For example, according to Marshall (1950), the development of the welfare state in the twentieth century was underpinned by a sense of community and collective responsibility of citizens for each other. According to the anti-solidarity hypothesis, immigration endangers these cultural underpinnings of the welfare state. The fundamental idea of the anti-solidarity hypothesis is that increasing diversity among the population decreases

interpersonal trust and social solidarity among individuals, which finally translates into opposition towards redistributive policies.

The acceptance of welfare policies requires solidarity and sympathetic valuing of those who belong to the beneficiaries of the welfare state. Throughout history it has been important that the beneficiaries fulfil the criteria of deservingness defined by the majority. Even nowadays this is crucial for the popularity of the welfare state. In a recent European survey, van Oorschot (2008) shows that immigrants are the least sympathized group as a social security benefit claimant in comparison with other vulnerable groups. Trust is needed to solve the possible free-rider problem inherent in the welfare state. Citizens must trust each other to both take part as contributors and not take advantage as beneficiaries.

The anti-solidarity hypothesis argues that there is a general relationship between ethnic composition and the welfare state. Homogeneity is an important prerequisite to the expansion of the welfare state, because the high levels of trust and social solidarity on which the welfare state is founded is possible among a comparatively homogenous population. Thus, heterogeneity is a major obstacle for welfare state development. This claim is empirically substantiated in various studies, the most famous example being the modest welfare state in the ethnically diverse United States as compared with the much more homogenous European countries (e.g. Gould & Palmer 1988; Alessina & Glazer 2004; Alessina et al. 2001; Finseraas 2008).

Anti-solidarity may take two forms (Banting 2005): At the level of social movements and coalitions growing diversity may fragment the historic coalitions behind the welfare state and divide emerging groups that might otherwise join their forces in the fight for redistributive policies. Even more interestingly at the level of electoral politics, the majority might withdraw support from redistributive policies if and when people regarded as “outsiders” or “strangers” are identified as the targets of redistribution. Recent electoral successes of radical right-wing parties in many European countries might serve as an example of this.

But why does demographic divergence deteriorate solidarity and trust? Why does a notable part of the population view immigrants in a negatively and hold welfare chauvinist stances? Is it even plausible to suppose that most people show prejudice towards the new-comers? Often, the main reason for animosity is said to be the threat and increasing competition experienced by natives. In this sense, the anti-solidarity hypothesis can be further sustained by traditional views about group conflict, especially the so called realist group conflict theory which emerged already in the 1950s (Sherif and Sherif 1969; Coser 1957; Blalock 1967). Central to the group conflict theory is the proposition that competition over scarce resources between social groups is a major catalyst of antagonistic inter-group attitudes. In the context of immigration this means that the members of the majority group feel threatened either individually or as a group. Resources may refer to power, status or material resources, like employment or social security benefits.

In addition to realist threats, prejudice may stem from symbolic threats. Symbolic prejudice is more related to concern for protecting certain cultural symbols of the dominant group like religion, moral issues, obedience, honesty, work values, etc. Prejudice of this kind is especially likely to increase distrust in society, which in turn may translate into less support for the welfare state. Often immigrants are claimed of laziness and welfare scrounging. These claims have been highly visible in radical right-wing parties' agenda in many European countries (Crepaz 2008, 53-55).

The anti-solidarity effect of immigration may vary across countries. There are at least three reasons to assume that the Nordic welfare states are more vulnerable to the effects of immigration than welfare states of other sorts (Goul Andersen 2006): First, in the universal Nordic model of the welfare state, social rights are based mainly on citizenship or residence rather than contribution. This makes the role of the tax-payer more important and visible. Secondly, immigrants have not been very successful in the Nordic labour market as compared to traditional immigration countries. This is especially true for Finland and Denmark. Thirdly, in historical sense the Nordic countries have been the ethnically most homogenous countries in Europe<sup>1, 2</sup>.

Nevertheless, there are also reasons to expect that the Nordic countries will be especially little affected by immigration. This expectation is based on the universal and non-stigmatizing character of Nordic social policy. In universal welfare states receivers of

---

<sup>1</sup> However, present-day Sweden where approximately 15 percent of the population are immigrants may be considered an exception in this.

<sup>2</sup> Moreover, Goul Andersen (2006) stresses the political mobilization on immigration and ethnic conflict. Undoubtedly, this has happened to certain degree in all Nordic countries.

social security benefits are not easily stigmatized or labelled. The basic principle of universal welfare policy is to avoid discrimination between citizens (Rothstein & Stolle 2003), whereas means-tested or targeted systems are designed to separate the “needy” from the well-to-do, the deserving from the “undeserving,” and so on. In welfare states with stronger means-testing, increasing immigration could mean that immigrants and benefit recipients are identified as the one and same group.

## 2.2. Contact theory

As described above, the anti-solidarity hypothesis poses a very negative view on inter-group attitudes. Therefore, integration of immigrants to their new home-countries is very difficult, if not entirely impossible. This view does not sound altogether convincing.

Although lots of problems are usually connected with immigration, many countries have long histories of stable social development despite demographic diversity<sup>3</sup>. Undoubtedly, in certain circumstances it is possible that majority of both the newcomers and the natives approvingly adapt to the new situation. The classic contact theory suggests that increasing contact with members of out-groups generates increasing acceptance among the natives. In other words, this theory questions the first part of the anti-solidarity hypothesis, namely that increasing immigration generates negative sentiments and welfare chauvinism.

---

<sup>3</sup> Especially the Netherlands, Belgium and Austria are often mentioned as examples of countries which have developed extensive welfare systems despite religious, ideological or linguistic cleavages. Sweden might serve as an even better example: the Swedish welfare state has been developing more or less steadily during the period of reaching its present 15 per cent level of immigrants.

Basically the contact hypothesis suggests that generally increasing contacts with minorities reduce prejudice. Formulated in the simplest possible way, this hypothesis asserts that the more the members of the in-group are in contact and personally know members of the out-group, the less prejudice they show. In this very simplified form, the hypothesis would suggest that as immigration increases, increasing contacts will automatically produce better relations between natives and new-comers. Thus, in countries with a higher numbers of immigrant populations, attitudes should be more tolerant in general. Especially European surveys give strong support to contact hypothesis although American studies have shown more ambiguous results (see McLaren 2003 for an overview).

Evidently, however, contacts may be positive or negative, and it is not reasonable to expect that all sorts of contact have the similarly positive impact on individuals' inter-group attitudes (see Pettigrew 1998 for this discussion). Intuitively, it is easy to suppose that favourable and voluntary contacts containing and generating friendship, like contacts with friends in leisure time are more likely to reduce prejudice than unfavourable and less voluntary contacts, like for example contacts related to work or living surroundings (Pettigrew 1998).

### 2.3. Compensation hypothesis

The compensation hypothesis questions the latter part of the anti-solidarity hypothesis, namely the idea that increasingly general negative sentiments towards immigrants finally

transform into opposition towards the welfare state. Indeed, it is well possible that increasing immigration stimulates new support for the welfare state rather than erodes it.

In practice most Europeans seem to continue to support their redistributive institutions. As the welfare state has been entrenched within national political institutions and political culture, it is highly unlikely that a widespread detachment from the welfare state would occur. Although both bad business cycles and increasing immigration have already taken place, empirical evidence shows that public support for the welfare state has been quite stable (e.g. Blekesaune 2007) during the last decades. Parties and politicians openly aiming to reduce social security benefits may gain only limited support among voters. Of course, in some countries there may be a policy-bundle effect: if voters choose their candidates on the basis of immigration policies rather than welfare policies, they might unintentionally support the retrenchment of the welfare state, as in some countries the populist right-wing parties aim to cut the welfare state (Roemer & Van der Straeten 2006). However, even this argument can be doubted: In some countries (Denmark, Finland) also the most anti-immigration parties explicitly oppose cutting the welfare state.

Most importantly, however, it is possible that immigration actually increases, not decreases, demands for redistributive policies. As noted above, increasing immigration could mean mounting competition over scarce resources, like jobs, benefits, housing etc. A logical reaction among the most vulnerable groups would be to demand more, not less, redistributive policies for their own protection as they see an immediate personal risk

connected to immigration. According to survey evidence support for the welfare state is the highest among the most vulnerable groups. Consistently all surveys identify the less skilled, less educated, unemployed, low income groups as the most eager supporters of the welfare state. These groups are also found to have the most negative attitudes towards immigrants. All in all, even if increasing immigration generated animosity towards immigrants it may well be possible that this animosity will not stimulate support for anti-welfare state policies among the public.

### 3. Data and methods

Data for this study comes from European Social Survey (ESS) Round 1 (European Social Survey Round 1 Data 2002/2003). European Social Survey is a comparative attitude and behaviour survey conducted across European continent. Altogether 22 countries were covered on Round 1, but this analysis is based on data from 21 countries, representing more or less clearly the prevailing European types of the welfare state, namely the Nordic countries (Denmark, Finland, Norway and Sweden), Central European countries (Austria, Belgium, Switzerland, Germany, France, Luxembourg and the Netherlands), Liberal countries (UK, Ireland), Southern European countries (Spain, Greece, Italy and Portugal), and the Eastern European countries (Czech Republic, Hungary, Poland and Slovenia). Israel is omitted from the analysis. For all these countries, comparable measures on background variables like occupation, economic circumstances, demographic variables, etc. are available. Similarly, comparable data for all countries cover the main dependent

and mediating variables, interpersonal trust, welfare chauvinism, and attitudes towards redistributive policies. Details of the variables are shown in Table 1.

In all countries, first generation immigrants were omitted from the analysis. After this the sample sizes varied from 1023 in Luxembourg to 2669 in Germany.

As the method of analysis, multilevel regression analysis was employed. First, interpersonal trust was treated as the dependent variable. After this, trust was treated as an independent variable in multilevel models with welfare chauvinism as the dependent variable. Finally, support for income redistribution was introduced in the models as the last dependent variable.

As described above, the main dependent variables in this analysis are interpersonal trust, attitudes towards immigrants and support for the welfare state. The main dependent variables are explained in more detail in Table 1. As the indicator for social trust, a composite scale of three variables is used. The exact wordings of these items are depicted in Table 1. Factor analyses and reliability analyses for these items indicated that in all countries the three items reflect a one and single underlying latent factor.

The way interpersonal trust is treated in this analysis requires some theoretical justification. Especially Crepaz (2008) argues in his influential analysis that trust may be conceptualized either as a trait or a state of a society. A “trait” is an enduring and unchanging feature whereas a “state” may change and adjust to environmental stimuli

rapidly. If trust is considered a trait, it follows by definition that diversity can not affect trust. In this case trust should be treated as an independent variable (Crepaz 2008, p. 3, p. 97). This is not what this analysis aims at. In contrast, this analysis defines trust as a state which may be affected by rising levels immigration and increasing contacts with immigrants.

[Table 1 about here]

Welfare chauvinism and support for income redistribution are perhaps less ambiguous concepts. Welfare chauvinism is defined as the fear among the native residents that immigrants will severely jeopardise their economic status in terms of employment, average wages and social security benefits. In this analysis a composite scale of three variables was constructed to measure welfare chauvinism. The wordings of these items are shown in Table 1. Similarly, the item used solely as an indicator of redistributive attitudes is presented in Table 1. Redistribution of income refers the reduction of income levels by the government.

The most crucial independent individual level variables in this analysis are measures on contact with immigrants (to test the contact theory) and socio-economic variables like occupation, education, labour market status, income and financial situation of the respondent's household (for testing the compensation hypothesis. Moreover, certain other variables were included in the analysis because they can be expected to affect either

immigration attitudes or redistributive attitudes or both. These variables are religiosity, age, gender, marital status, political orientation and life satisfaction.

Special attention is paid to the way contact with immigrants is measured. The simplest indicator of contacts with immigrants is the number of friends with foreign origin. As discussed above, this indicator measures only positive, friendly interaction. So far, most European surveys have not tested the effects of neighbourhood or work-related contact which probably have less potential to decrease prejudice than contacts with foreign-born friends (see McLaren 2003, p.930). Data used in this study contains information about both work-related contacts and contacts within the living surroundings of the respondent. Work-related contacts were measured simply by asking how many foreign-born colleagues the respondents have at their work place. To gain a picture of the respondents' living area, they were asked how much people of foreign origin live in their neighbourhood. The final indicator for contact with immigrants was constructed as an interaction variable of purely voluntary and probably friendly contacts and less voluntary contacts in work or living area. This variable consists of four categories: 1) those who have several friends of immigrant origin and who have lots of contacts with immigrants either in work or in their living area; 2) those who do not have personal immigrant friends but who have lots of contacts in work or living area; 3) those who have personal immigrant friends but not contacts in work or living area; and 4) those with neither immigrant friends nor contacts with immigrants in work or in living area.<sup>4</sup>

---

<sup>4</sup> Of course, the interaction variable used here does not directly indicate the quality of the contact, but might provide a glue of it. In addition to the quality of contact, another problem within the contact hypothesis is the direction of causality. It is possible that positive attitudes towards immigrants stimulate

As explained above, the socially and economically vulnerable segments of population are the most interesting groups from the point of view of the compensation hypothesis. The assumption is that the most vulnerable groups will turn more supportive to distributive policies as they see more immigrants coming to the country. Social and economic status was measured with occupational group (class), labour market status (unemployment), level of personal income and possible subjectively experienced economic problems within the respondent's household. As an even more subjective and a more general measure of life situation, a measure on general life satisfaction was also included in the model as an independent variable.

Finally, a variety of factors were controlled for. The controls were religiosity, age, age squared, gender and marital status. As shown in prior research, these controls may be assumed to have an effect on either on interpersonal trust, welfare chauvinism or attitudes towards redistribution.

To catch the variation between countries, seven different country-level variables were used. These variables were type of the welfare state, percentage of foreign born population, public sector expenditure, GDP, Gini index, poverty rate and unemployment rate. The type of the welfare state categorises the 21 countries into five groups as described above. Percentages of foreign born people are taken from SOPEMI. Public sector expenditure is measured as a percentage of GDP in 2001 and comes from the

---

contacts with them, not vice versa as supposed in this analysis. With cross-national data it is impossible to test the direction of causality in this paper.

OECD Social Expenditure Database (SOCX) 2004. GDP is measured per capita (PPP in US dollars 1999). The source is the UNDP Human Development Report 2004. Gini indexes and relative poverty rates are from LIS database waves V or IV (except Portugal which comes from OECD StatExtracts). Unemployment rates for 2002 come from Eurostat.

#### 4. Results

##### *Country level findings*

Table 2 depicts the levels of interpersonal trust, welfare chauvinism and support for income redistribution in 21 European countries. Percentages of immigrant population, Gini indexes, poverty rates and unemployment rates are shown in the same table. Bivariate correlations between these variables are shown in Appendix A.

[Table 2 about here]

Table 2 shows that consistently with earlier studies (e.g. van Oorschot & Arts 2005) the Nordic countries are high trusting societies. The lowest levels of interpersonal trust are found in Eastern and Southern European countries. Greece and Poland appear to have the lowest levels of trust in Europe.

Mean levels of welfare chauvinism are almost a mirror image of trust. Welfare chauvinism correlates negatively with interpersonal trust (see also Appendix A). In contrast to expectations there is less welfare chauvinism in Nordic countries than in other European countries. The highest levels of welfare chauvinism prevail in Eastern and Southern European countries, closely followed by the liberal countries.

Support for income redistribution is highest among the Southern European nations, especially in Greece and Portugal. Judging by the country group means, the general levels for redistribution are about on the same level in the liberal countries and the Nordic countries. Especially in Denmark support for redistribution is low. However, according to the country group means, the least support for income redistribution is found in Central European countries. Perhaps surprisingly bivariate correlations depicted in Appendix A reveal that perhaps surprisingly country-level association between interpersonal trust and support for redistributive policies is negative. However, the correlation between support for income redistribution and welfare chauvinism is not very high or statistically significant.

### *Multilevel findings*

The multilevel findings are shown in Table 3. The analysis started with an empty model, after which all individual level independent variables were included in the model. Finally, each country-level variable was added to the model in turn with the individual level independent variables. Thus altogether nine models were estimated for each of the three

dependent variables (see Appendix B for variance components). Contacts with immigrants do indeed affect levels of trust as expected. The group which has obligatory contacts with immigrants due to living area or work but no personal immigrant friends shows the least interpersonal trust. The other individual level findings are more or less consistent with earlier studies: Religiosity and life satisfaction are positively correlated with interpersonal trust, whereas low income and economic problems have a negative correlation with it. Age has a non-linear effect so that the middle aged have more interpersonal trust than the younger and older age groups. The negative correlation between political orientation and trust means that those on the political left have more trust in other people than those on the political right. Moreover, females are more trusting than males and blue-collar workers less trusting than other occupational groups.

[Table 3 about here]

On country level the statistically significant difference between the groups of countries shows that the levels of trust in Nordic countries are higher than in other countries also after controlling for the individual level variation. Of the other country level factors only GDP and unemployment rate seem to matter. GDP is positively and unemployment negatively associated with trust. The number of immigrant population in the country, level of public spending, inequality as measured with Gini index or the poverty rate have no effect on interpersonal trust.

The next column of Table 3 show how the same independent variables affect welfare chauvinism. As expected, interpersonal trust has a clear effect on welfare chauvinism<sup>5</sup>. Contact with immigrants is an important determinant of welfare chauvinist attitudes. As with interpersonal trust, it is the group with obligatory contacts in work or living area combined with no voluntary friendly contacts with immigrants who show the highest levels of welfare chauvinism. Also gender, marital status, occupation, level of education, income and personal economic situation, political orientation and life satisfaction affect welfare chauvinism. Females and those who have never been married are less chauvinist than males and those currently or previously married. A higher level of life satisfaction and a leftist political orientation decrease welfare chauvinism. Even more interestingly, blue-collar workers, the less educated, those with personal economic difficulties and the low or middle income earners tend to hold welfare chauvinist thoughts. With the possible exception of low-educated groups, these are the groups that often have been identified as the most eager supporters of the welfare state in numerous earlier studies (Svallfors 2006; Blekesaune 2007; Ervasti 2001). (Should there be a comment or two on the effects of education?)

Differences in welfare chauvinism between the various types of the welfare state are not large. However, the results suggest that welfare chauvinism is the most general in liberal countries, not in the Nordic countries as expected. The other country level determinants have no effect on welfare chauvinism.

---

<sup>5</sup> In the initial analyses welfare chauvinism was first modelled without and then with interpersonal trust as a determinant. As the other estimates were essentially the same in both models, only the results of the latter model are reported here.

The final column of Table 3 shows the analyses on support for income redistribution<sup>6</sup>. Support for income redistribution is mainly a function of religiosity, age, gender, class, income and personal economic situation and political orientation. These findings are consistent with prior research. More religious persons, elderly people, women lower occupational groups, those with a less good economic situation and income and those with leftist rather than rightist political orientation hold economically egalitarian views. Worth noting is that contact with immigrants does not have the expected effect. The group most critical about income redistribution is the one consisting of those who have immigrant friends but no obligatory contacts in their work or living area. This finding does not support the claim according to which bad contacts with immigrants stimulate negative stances towards redistributive policies.

The most surprising finding in the last column of Table 3 is that welfare chauvinism is not negatively associated with support for income redistribution. In fact welfare chauvinism seems to have a clear positive effect on attitudes towards redistributive policies. This finding strongly questions the anti-solidarity hypothesis since an essential part of the hypothesis is the claim that opposition towards redistributive policies emerge as people see benefits being targeted disproportionately to immigrants. Another surprise is that the level of interpersonal trust has no direct effect on attitudes towards income redistribution when controlled for the other background variables.

---

<sup>6</sup> Models without interpersonal trust and welfare chauvinism were also estimated, but not reported because they yielded similar results as the reported model.

The country level variables have only minor effects in the last model. The only country level effect is that support for redistribution appears to be the highest in Southern European countries.

## 5. Conclusions

This analysis set out to test three rival hypotheses about what happens to the public support for the welfare state in European countries as immigration increases. The anti-solidarity hypothesis suggests that as the levels of immigration rise and especially as people more often than before see a disproportionately large part of their tax money being directed to the new-comers whom they do not consider accepted beneficiaries, resistance towards the redistributive policies of the welfare state emerges. Interpersonal trust declines and welfare chauvinism emerges and as a result, support for the welfare state deteriorates. This view is contested first by the integration hypothesis, which is strongly based on the classis contact hypothesis. It suggests that as the natives have more and more pleasant contacts with immigrants, they show more tolerance and accept them as legitimate members of the welfare state. Finally, the compensation hypothesis suggests that what ever the attitudes of the majority towards immigrants, the welfare state continues to be highly popular. The individuals that are the most likely to hold negative stances towards immigration are the ones who need the welfare state the most to protect them in the increasingly hard competition over scarce resources. Therefore, according to

the compensation hypothesis, popularity of the welfare state remains high even if immigration increases.

The results show that the anti-solidarity hypothesis is only partly right about the effects of immigration on interpersonal trust on the individual level. Obviously some forms of interaction with immigrants generate negative sentiments which are associated with declining interpersonal trust. In this analysis we distinguished between “obligatory” contacts and “voluntary” contacts. Those who were obligatorily involved with immigrants in their work or living area but had no positive voluntary contacts with immigrants showed comparatively low levels of trust and high levels of welfare chauvinism. In contrast, those who had more voluntary contacts, i.e. immigrants as friends, were more trusting and held less welfare chauvinist attitudes. Undoubtedly the anti-solidarity hypothesis is based on a one-sided and too narrow conception of native-immigrant contacts.

Another and perhaps even more severe problem in the anti-solidarity hypothesis is the claim that welfare chauvinism will finally lead to a collapse in public support for the redistributive policies of the welfare state. In the light of this analysis welfare chauvinism is positively associated with attitudes towards income redistribution. In other words, those who have the most chauvinist stances are the most eager supporters of redistribution. This is easily understood in the light of the compensation hypothesis. Welfare chauvinism is the most general among those who need the welfare state the most. As immigration increases, competition over jobs and income may become harsher.

TO BE CONTINUED

## References

Alesina, A. & Glaser, E. 2004. Fighting poverty in the US and Europe. Oxford: Oxford University Press.

Alesina, A., Glaeser, E. & Sacerdote, B. 2001. Why doesn't the United States have a European-style welfare state? *Brooking Papers on Economic Activity*, 2/2001.

Banting, K., Johnston, R. & Soroka, S.N. (2004) Ethnicity, Trust and the welfare state, in P. van Parijs (ed.): *Cultural Diversity versus Economic Solidarity*. Brussels: Deboeck University. Stuart Soroka, Richard Johnston and Keith Banting. 2005. "Ethnicity, Trust and the Welfare State," Pp. 33-57 in Philippe Van Parijs, ed., *Cultural Diversity versus Economic Solidarity*, Brussels: Deboeck University.

Blalock, H.M. 1967. *Toward a theory of minority group relations*. New York: John Wiley.

Blekesaune, M. 2007. Economic conditions and public attitudes to welfare policies. *European Sociological Review*, 23(3):393-403

Coser, L. 1957. *The functions of social conflict*. Glencoe: The Free Press.

Crepaz, M. 2008. *Trust beyond Borders*. Ann Arbor: University of Michigan Press.

European Social Survey Round 1 Data (2002/2003). Data file edition 6.1. Norwegian Social Science Data Services, Norway – Data Archive and distributor of ESS data.

European Social Survey (2008): ESS-1 2002 Documentation Report. Edition 6.1. Bergen, European Social Survey Data Archive, Norwegian Social Science Data Services.

Finseraas, H. 2008. Immigration and preferences for redistribution: An empirical analysis of European Survey Data. *Comparative European Politics* 6, 407-431.

Goul Andersen, J. 2006. Immigration and the legitimacy of the Scandinavian welfare state: Some preliminary Danish findings. *AMID Working Paper, Series 53/2006*.

Gould, S. & Palmer, J. 1988. 'Outcomes, interpretations and policy' in J. Palmer, T. Smeeding & B. Torrey (eds.): *The Vulnerable*. Washington: Urban Institute Press.

Marshall, T.H. 1950. *Citizenship and Social Class*. In T.H. Marshall and T. Bottomore (eds): *Citizenship and Social Class*. London: Pluto Press.

McLaren, L.M. 2003. Anti-Immigrant Prejudice in Europe: Contact, Threat Perception, and Preferences for the Exclusion of Migrants. *Social Forces* 81 (3), 909-936.

Pettigrew, T.F. 1998. Intergroup Contact Theory. *Annual Review of Psychology* 49 (1), 65-85.

Roemer, J.E. & Van der Straeten, K. 2006. The political economy of xenophobia and distribution: the case of Denmark. *Scandinavian Journal of Economics* 108: 251-277.

Rothstein, B. & Stolle, D. 2003. Social capital, impartiality and the welfare state: An institutional approach. In M. M. Hooghe and D. Stolle, *Generating Social Capital: Civil Society and Institutions in Comparative Perspective*. New York: Palgrave, 191-210.

Sherif, M & Sherif, C.W. 1969. *Social psychology*. New York: Harper & Row.

Stephens, J.D. 1979. *The Transition from Capitalism to Socialism*. London: Macmillan.

Svallfors, S. 2006. *The Moral Economy of the Class*. Stanford: Stanford University Press.

van Oorschot 2008 Solidarity towards immigrants in European welfare states. *International Social Welfare* 17 (1), 3-14.

van Oorschot, W. & Arts, W. 2005. The social capital of European welfare states: the crowding out hypothesis revisited. *Journal of European Social Policy*, Vol. 15 (1), 5-26

Table 1. Definitions of individual level variables

---

<b><u>Dependent variables</u></b>	
Interpersonal trust	A composite scale of three variables: “Most people can be trusted or you cannot be too careful”; “Most people try to take advantage of you, or try to be fair”; “Most of the time people try to be helpful, or mostly they try to look out for themselves” (scale from 0 to 10, where 10 means high trust).
Welfare chauvinism	A composite scale of three variables: “Average wages/salaries generally brought down by immigrants”; “Immigrants take jobs away in country or create new jobs”; “Immigrants take out more taxes and services than they put in” (scale from 0 to 10, where 10 means high level of welfare chauvinism).
Attitudes towards redistribution	Government should reduce differences in income levels? Disagree strongly to agree strongly (scaled from 0 to 10, where 10 means strong support for income redistribution).
<b><u>Independent variables</u></b>	
Contacts with immigrants	Interaction variable consisting of four dummies: 1
Religiosity	How religious are you? (scale from 0 to 10, where 10 is very religious)
Age	In years
Age squared	In years squared
Gender	Dummy 1= female; 0 = male
Marital status	Three dummies: 1) Divorced, separated or widow; 2) Never married; 3) married (ref.)
Occupation/class	Five dummies: 1) Service classes; 2) Routine non-manual; 3) self-employed; 4) other/unknown; 5) manual occupations (ref.)
Education	In full years spent in education
Labour market status	Three dummies: 1) outside labour market; 2) unemployed; 3) employed (ref.)
Income	Three dummies: 1) high income; 2) middle income (ref.); 3) low income
Political orientation	Placement on left – right scale (scale from 0 to 10)
Satisfaction of life	How satisfied with life as a whole (scale from 0 to 10)
Economic problems	Dummy: 1= Difficult or very difficult to live with present income, 0 = coping or living comfortably with present income.

---

Table 2. Levels of interpersonal trust (scale mean), welfare chauvinism (scale mean) and support for income redistribution (percentages agreeing) in 21 European countries.

	Interpersonal trust (Scale mean)	Welfare chauvinism (Scale mean)	Support for income redistribution (percentages agreeing)
<b>Nordic countries</b>			
Denmark	6.85	5.62	43.4
Finland	6.33	5.98	76.7
Norway	6.59	5.44	70.3
Sweden	6.30	5.27	68.7
<b>Central European countries</b>			
Austria	5.32	5.98	68.0
Belgium	5.00	6.19	70.4
Switzerland	5.77	6.10	64.6
Germany	5.10	6.38	53.4
France	4.86	6.00	83.4
Luxembourg	5.10	5.76	64.1
Netherlands	5.76	5.79	58.7
<b>Liberal countries</b>			
United Kingdom	5.36	6.35	62.0
Ireland	5.81	6.44	77.2
<b>Southern European countries</b>			
Spain	4.85	5.81	79.5
Greece	3.42	7.55	90.1
Italy	4.37	5.75	79.0
Portugal	4.43	6.10	91.3
<b>Eastern European countries</b>			
Czech Republic	4.46	6.57	51.9
Hungary	4.29	6.91	84.1
Poland	3.81	6.41	80.3
Slovenia	4.33	6.17	84.3

Table 3. Predictors of interpersonal trust, welfare chauvinism and support for income redistribution. Multilevel analysis.

Parameter	Trust	Welfare chauvinism	Support for income redistribution
Intercept	3.262***	7.740***	7.389***
x_inta1	.004	-.232***	-.076
	-.136***	.0829**	.067
x_inta3	.005	-.336***	-.217***
Second generation immigrant	-.039	-.220***	.180*
Religiosity	.021***	-.010**	.024***
Age	-.600	-.108	.280***
Age squared	.139***	-.015	-.247***
Female	.060**	.051**	.366***
Divorced	-.054	-.007	.045
Never married	.014	-.073**	.096*
Other/unknown occupation	.190***	-.168***	-.292***
Routine non-manual occupation	.174***	-.132***	-.148**
Service class	.195***	-.206***	-.502***
Self employed	.239***	-.028	-.102
Education in years	.041***	-.045***	-.027***

Table 3 (continued)

Outside labour force	.040	-.024	.029
Unemployed	.030	.080	.113
Low income	-.106***	-.016	.093*
High income	-.011	-.083***	-.415***
Political orientation	-.022***	.049***	-.202***
Life satisfaction	.189***	-.035***	-.039***
Economic problems in the household	-.168***	.199***	.321***
Interpersonal trust	-	-.145***	.014
Welfare chauvinism	-	-	.060***
Liberal regime	-.792744**	.603146*	-.019420
Continental regime	-1.080662***	.274272	-.081326
Southern regime	-1.839473***	.104952	1.076264*
Eastern regime	-1.796163***	.315952	.342789
Percentage of immigrant population	.006	.004	-.028
Public spending	.045	-.015	-.032
GDP	.044*	.004	-.035
Gini index	-.114	.467	-.573
Unemployment rate	-.081*	-.012	.038
Poverty rate	-.034	-.009	.020

Appendix A. Bivariate correlations of country-level variables

	Gini index	Proportion of Immigrant population	Poverty rate	Support for income redistribution	Interpersonal trust	Unemploye nt rate	Welfare chauvinism	Public spending	GDP
Gini index	1,000								
Proportion of Immigrant population	-,203	1,000							
Poverty rate	,894**	-,179	1,000						
Support for redistribution	,545*	-,293	,435*	1,000					
Interpersonal trust	-,546*	,147	-,352	-,591**	1,000				
Unemployment rate	,278	-,476*	,226	,370	-,546*	1,000			
Welfare chauvinism	,411	-,164	,332	,344	-,685**	,333	1,000		
Public spending	-,420	,050	-,406	-,207	,249	,034	-,310	1,000	
GDP	-,296	,791***	-,154	-,427	,563**	-,609**	-,477*	,113	1,000

Appendix B. Variance components for multilevel regression analysis of interpersonal trust

	Model 0	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
Interpersonal trust									
Su	0.767	0.497	0.086	0.517	0.491	0.393	0.496	0.391	0.467
Se	3.157	2.671	2.628	2.628	2.605	2.628	2.671	2.671	2.671
Explained Su		0.352	0.888	0.326	0.360	0.488	0.353	0.490	0.391
Explained Se		0.154	0.168	0.168	0.175	0.168	0.154	0.154	0.154
ICC	0.195								
-2 Log likelihood	151284.922	100400.899	96013.945	96051.196	92774.500	96045.489	100400.858	100395.645	100664.074
Welfare chauvinism									
Su	0.244	0.148	0.108	0.136	0.140	0.135	0.132	0.145	0.146
Se	1.790	1.472	1.438	1.438	1.445	1.438	1.472	1.472	1.472
Explained Su		0.393	0.557	0.443	0.426	0.447	0.459	0.406	0.402
Explained Se		0.178	0.197	0.197	0.193	0.197	0.178	0.178	0.178
ICC	0.120								
-2 Log likelihood	116473.515	79745.477	74655.379	74660.086	72348.626	74660.062	78383.834	78385.940	78385.977
Attitudes towards income redistribution									
Su	0.773	0.614	0.412	0.553	0.570	0.521	0.590	0.590	0.604
Se	6.160	5.758	5.740	5.740	5.780	5.740	5.758	5.758	5.758
Explained Su		0.206	0.466	0.284	0.262	0.326	0.237	0.237	0.219
Explained Se		0.065	0.068	0.068	0.062	0.068	0.065	0.065	0.065
ICC	0.125								
-2 Log likelihood	174665.527	110828.648	106222.681	106228.761	102937.503	106227.785	110827.785	110827.780	110828.291

Model 0: Empty model, only intercept; Model 1: M0 + individual level variables; Model 2: M1 + welfare state type; Model 3: M2 + percentage of foreign born population; Model 4: M3 + public expenditure; Model 5: M4 + gdp 1999; Model 6: M5 + gini index; Model 7: M6 + unemployment rate; Model 8: M7 + poverty rate