Testing Social Solidarity: A Comparison of Policy Preferences in France, Germany, Japan and South Korea

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Social Solidarity

» The State –
  › Centralized regulation and provision of welfare, e.g., redistribution, insurance for common risks (Weale 1990)
  › Full membership in society (Baldwin 1990)
  › Stability a goal
  › Equality not a goal (not necessarily)

» The Individual –
  › Normative preference to support members of the society (e.g., distributive justice; Arts and Gelissen 2001)
  › Equality is a goal
Other Solidarities

» Labor Market – 
  Class, Segment, Skill-set, Industry

» General Groups – 
  Religion, Race/Ethnicity, Age, Sex
Social Solidarity. Necessarily

Figure 1. Social Inequality, Taxable Income Share

(World Inequality Data 2018)
Key Assumption

» Solidarity from above not possible without public support.
Social Solidarity & Material Self-Interest

- Social Solidarity - Ideal
- Material Self-Interest - Ideal

Support for Redistribution

Labor Market Position
Social Solidarity & Material Self-Interest

Support for Redistribution vs. Labor Market Position

- Social Solidarity - Ideal
- Observed
- Material Self-Interest - Ideal
Social Solidarity & Material Self-Interest

Support for Redistribution vs. Labor Market Position

Social Solidarity - Ideal
Material Self-Interest - Ideal

need
Economic Crisis

Support for Redistribution vs. Labor Market Position

- Social Solidarity - Ideal
- Material Self-Interest - Ideal

need
Economic Crisis

Support for Redistribution vs. Labor Market Position

- Social Solidarity - Ideal
- Observed
- Material Self-Interest - Ideal
Economic Crisis

Social Solidarity - Ideal

Material Self-Interest - Ideal

Support for Redistribution

Labor Market Position

Observed?
## The Great Recession Period

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Hypothetical: The Need for Social Solidarity

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Measurement

» From Above –
  country-level labor market and welfare state institutions

» From Below –
  attitudes toward social protection and insurance
  › Other ISSP modules (for later)
Expression of Social Solidarity

Support for:

- Redistribution
  - Income Diff’s
    - Tax High
    - Tax Low
  - Jobs
  - Health
  - Old Age
  - Industry
  - Unemployed
  - etc....

- Insurance

- Social Spending
Social Solidarity - Redistribution

Predictive Margins with 95% CIs

Linear Prediction vs. Country by Year

FR96 FR06 FR16 DE96 DE06 DE16 JP96 JP06 JP16 KO06 KO16
Redistribution - ‘all else equal’
Redistribution - Insiders & Outsiders
Social Spending – Insiders & Outsiders

Predictive Margins with 95% CIs

Country by Year

FR96 FR06 FR16 DE96 DE06 DE16 JP06 JP16 KO06 KO16

Linear Prediction

F_in
M_in
F_out
M_out
Redistribution – Insiders & Outsiders

Predictive Margins with 95% CIs

Linear Prediction

Country by Year

FR96 FR06 FR16 DE96 DE06 DE16 JP06 JP16 KO06 KO16

Ideal Solidarity

F_in M_in F_out M_out
Social Solidarity Balks

» Overall no strong evidence of social solidarity
  › At least not in resp. to Great Recession
  › Although maybe in Germany, partly Korea
  › Further deepening of
    › Social inequality <or>
    › Insider-outsider gap
Thank You

» This is a work in progress, comments welcome

» For PowerPoint Presentation and Stata Code: see: My Professional Website (sites.google.com/site/nbreznau/)


The Economic Model

» Utility = function of:
  › Individual Income
  › Income-tax rate / government spending rate
  › Individual’s location in the income distribution
  › Income utility + solidarity utility = welfare state preferences

» Solidarity = function of:
  › Ethnic diversity
  › Unemployment
  › Social distance

» All actors are rational, no exogenous features
Institutions / Sociological Model

» Solidarity is multidimensional (e.g., Kaufmann 2008)

» Group membership is multidimensional (Hogg 2006; Reicher 2004)

» Individuals shaped by institutions and culture

» Ethnic diversity is a ratio
Solidarity is multidimensional (e.g., Kaufmann 2008)

Group membership is multidimensional (Hogg 2006; Reicher 2004)

Individuals shaped by institutions and culture

Ethnic diversity is a ratio

Devising new tests:
  - Case comparisons – single countries
  - Exogenous shocks – e.g., Great Recession
## Four Cases

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<tr>
<th></th>
<th>FLP</th>
<th>Pay Gap</th>
<th>% foreign-born</th>
<th>Decommodification</th>
<th>TWA</th>
<th>GDP</th>
<th>% Tertiary</th>
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<tr>
<td>France</td>
<td>68</td>
<td>10</td>
<td>12</td>
<td>38</td>
<td>15</td>
<td>41k</td>
<td>44</td>
</tr>
<tr>
<td>Germany</td>
<td>74</td>
<td>16</td>
<td>13</td>
<td>32</td>
<td>14</td>
<td>49k</td>
<td>31</td>
</tr>
<tr>
<td>Japan</td>
<td>69</td>
<td>26</td>
<td>2</td>
<td>26</td>
<td>13</td>
<td>42k</td>
<td>60</td>
</tr>
<tr>
<td>South Korea</td>
<td>59</td>
<td>37</td>
<td>3</td>
<td>15</td>
<td>22</td>
<td>37k</td>
<td>70</td>
</tr>
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**Source:**
- 2017 - % females active in the labor market as a % of all females age 15 to 64 (OECD)
- 2015 (or latest) - % less pay women earn compared to male median income (OECD)
- 2016 – (OECD)
- 2010 – welfare state generosity, replacement rates index (CWED)
- 2012 – Temporary work arrangement (OECD)
- 2016 – GDP at 2016 US dollars (OECD)
- 2016 - % completed tertiary education (25-34 years | 55-64 years)

**Note:** Percentages rounded to the nearest whole number for ease of viewing; “FLP” is female labor force participation; “TWA” is temporary work arrangement.
Preferences for Redistribution

‘Low Status’ (ISEI<40, no full-time)  ‘High Status’ (ISEI>60, full-time)

Data: ISSP ‘Role of Government’