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The impact of capitalism and materialism on generosity : a cross-national examination

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University of Iowa

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THE IMPACT OF CAPITALISM AND MATERIALISM ON GENEROSITY:
A CROSS-NATIONAL EXAMINATION

by
Jorge Alberto Chavez Rojas

A thesis submitted in partial fulfillment
of the requirements for the Doctor of
Philosophy degree in Sociology
in the Graduate College of
The University of Iowa

August 2014

Thesis Supervisor: Professor Kevin T. Leicht

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CERTIFICATE OF APPROVAL

PH.D. THESIS

This is to certify that the Ph.D. thesis of

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To my Family.

ABSTRACT

The aim of this dissertation is to analyze how modernization theory of values change and capitalist ideology affect individuals' attitudes toward generosity. Because generosity is a concept rooted in our human value system, it would be worthwhile attempting to explain the interplay between individuals' values and larger socio-economic environment. From modernization theory explanations of values change, it is expected that noble, higher-order values such as generosity will receive more approval and support as economic pressures decline as result of economic development. However, individuals' values are also being influenced by principles of the specific type of economic ideology embraced in each country around the world. This study will explain how the different types of capitalist ideology impact individuals' values. In relation to these, it is suggested that the notion of 'economic ideology' should be taken into consideration as a factor interacting with the modernization thesis of values change in influencing individuals' predisposition toward generosity. An economic ideology motivates behavior and determines norms for many human interactions. In this study, 'economic ideology' is constructed as the interaction between capitalism characteristics and materialistic values. One hypothesis suggests that capitalism is negatively correlated with the emergence or advancement of generosity. A second hypothesis, examines whether the effect of capitalism is moderated through the presence of materialistic values or specific type of economic ideology. Within this enquiry the study uses a cross-national and a multilevel approach that mainly concentrates on the analysis of the World Values Survey which presents a broad examination of cross-national differences. The results indicate the validity of the economic ideology effect. Initially, at the individual level capitalism is associated significantly, albeit weakly, to

generosity. When this relationship is allowed to vary across countries, then capitalism coefficient is not significant. Nevertheless, when the original argument about the influence of the economic ideology on individuals' values is considered, the new model modifies the previously reported results. The capitalism coefficient not only turns out to be significant, but also changes the direction of its coefficient demonstrating the moderating effect of the economic ideology hypothesis.

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CHAPTER 1

INTRODUCTION AND OVERVIEW

According to classical economic theory, individuals are assumed to be innately self-interested (Smith 1776) and that they use their rational thinking to maximize their own benefit or utility (Samuelson 1981, Friedman 1962). The principles of self-interest, profit-maximization and competition are often regarded as fundamental for the functioning of the capitalism system.

Capitalism, through its market mechanism, has proved to be very successful in creating wealth and economic prosperity, but it is not very good assuring or generating moral principles, such as trust, empathy or generosity.

In fact, capitalist market economic interactions are reduced to the transmission of information among economic actors, and they usually disregard aspects of ethics and values (Sachs 2011). It is also implicit that this way of reasoning does not take into consideration the consequences or needs of others. Consequently, capitalism by claiming to be value free may be actually undermining social values, because they have become less relevant on society's values hierarchy as individuals become more and more motivated by this type of economic ideology.

I argue that the capitalist ideology is impacting our view of social values through the spreading of its main beliefs and principles. Social values like compassion, integrity, and generosity have been decaying over time.

Conversely, according to the other end of the literature, the economic activity is embedded in a network of social relations (Polanyi 1944, Granovetter 1985) and actors' decisions are always influenced by a wide range of social and cultural factors. Even more, some natural scientists claim that people are inherently predisposed to being cared for and to care for others. These instincts

are biologically ingrained because they have worked in preserving and developing the human species throughout history (Sussman and Cloninger 2011, Boehm 2012).

In this context, individuals seek the well-being of others as well as their own. Therefore, I argue that particularly the notion of generosity has a key role in society especially in times of crisis, but also it is important for maintaining a decent level of cohabitation among individuals. Generosity is not new to human societies; in fact it has always been ingrained in many religious beliefs and traditions. The study of generosity is important because it is a concept that rests deep in our value systems, influencing the decisions and actions we implement in our daily lives.

According to the extent that individuals embrace either ideology they can locate themselves in any point of this continuum that has the self-interested behavior in one end and the pro-social (generous) behavior at the other end. Consequently, one of the greatest dilemmas that people frequently encounter in their daily life is rooted on this conflict between adopting self-interest and collective interest as a framework for their everyday decision making. For instance, should we aim for our individual materialistic success or for our sense of bounded community? Should we care about the generation of new profitable technology or for maintaining our noble social values? Or lastly, do self-interest and desire for financial profit bring out the best for society? These questions put side by side concepts and practices classical economists emphasize with aims that pro-social advocates endorse, such as the concern for the broader community and the world (Van Lange, De Cremer, Van Dijk, and Van Vugt 2007).

Modernization theory and Capitalism

Since the turn of the 20th century, social scientists have identified dynamic connections between economic environments and values change. One of the most important contributions to the study of this change on values in the world comes from the work of Ronald Inglehart. The modernization theory developed by Inglehart (1977, 1990) states that “environmental conditions (especially levels of economic development) influence values that shape the social and political attitudes of individuals”. Inglehart examines changes in religious beliefs, work motivation, political conflict, attitudes toward children and families, and attitudes toward divorce, abortion, and homosexuality; however he did not examine the effect of specific economic ideology on individuals’ pro-social values, especially on generosity.

Modernization theory was initially developed to explain the changing orientation of peoples’ values in economically advanced industrial societies and their attitudes and behaviors in relation to democratic governments. In order to operationalize his theory, Inglehart (1990) constructed a Materialist/Post-materialist index. The Post-materialist thesis of values change presented by Ronald Inglehart (1990) assumes that, societies are ‘silently’ moving from materialist values to post-materialist ones as a consequence of industrialization and post-industrialization. From Inglehart’s work (1977, 1990), I hypothesize that noble, higher-order values such as generosity will receive more approval and support as economic pressures decline with increased economic development. However, there is the possibility that individuals’ attitudinal patterns in relation to Materialist and Post-materialist values are also being influenced by the specific type of economic ideology adopted in each country around the world.

Given the increasing interdependence of world economies and the

dominant presence of capitalism in the world during the last 30 years, it is reasonable to consider that individuals' values have been impacted as well. In particular I am interested in how the spread of neoliberal forms of capitalism affects attitudes toward generosity in different parts of the world. In relation to these, the present study suggests that economic ideology should be taken into consideration as a factor intersecting with the modernization thesis of values change in terms of influence on people's pro-social attitudinal conditions.

I also argue that the modernization thesis implies the emergence of some dimensions of pro-social behavior, and if there is the occurrence of the values change, post-materialist values could be understood as being conducive to generosity in that context. If, however, neoliberal capitalism ideology also influences the conditions for pro-social behavior in general and generosity in particular could be interpreted to be rather specific to the level of neoliberal capitalism present in each society regardless of (or in addition to) post-materialistic values. When this theory is situated in the context of representative societies of different regions of the world as, there still seems to be additional opportunities for investigation.

When this is clarified, the combined effects of the values change and economic ideology will come to have significant meaning with respect to attitudes toward generosity. Since, this dissertation analyzes the extent to what capitalism affects social values and shapes people's generous behavior. I use a more explicit variable which is operationalized by the degree of variation on the capitalism system existing in each country subject to this study.

Motivation of the thesis

My motivation is engrained in the tradition of sociologists who have examined other broad, socio-cultural features such as religions, social

institutions, political systems, etc. The literature shows how wide-ranging socio-cultural ideologies often have a significant influence on people's interpersonal relationships, motivation and behavior. Therefore, there is a valid reason to expect that capitalism would be even more relevant, as it is in the very nature of economic systems to motivate behavior, and determine rules for many human interactions (Kasser, Cohn, Kanner, and Ryan 2007).

Currently, there has been concern for the way social values and moral principles are being affected by the capitalistic ideology and materialistic values (Sachs 2011). The peril is that capitalistic ideology is not only influencing how people act but also the way they feel about sympathizing with others. It is influencing our capacity to express generosity because it makes it harder for us to perceive messages about the needs of the poor and for social justice. For instance, some social scientists (Sheldon and McGregor 2000; Sheldon, Sheldon, and Osbaldiston 2000 and Kasser 2005) would seemingly agree that the individualistic and consumerist desires, encouraged by neoliberal capitalism, such as treat others in more competitive and less cooperative ways and share less, oppose those for generosity and for caring about the sense of community.

Robert Lane (2000:9) has even suggested that, as individuals have pursued the aims of materialism and accumulation of wealth, they have at the same time experienced "a kind of famine of warm interpersonal relations, of easy-to-reach neighbors, of encircling, inclusive memberships, and of solid family life".

Previous social science research on generosity has been mostly concentrated on isolated individuals or religious factors, generally seeking to find correlations among behavioral and motivational variables. The literature also shows that wide-ranging socio-cultural ideologies, such as capitalism, have a significant influence on people's motivations and behavior (Kasser et al. 2007). Capitalism, as an economic ideology, motivates behavior and determines rules

for many human interactions; however, no research has been done considering how this ideology influences individuals' predisposition to behave generously or not, particularly taking into consideration variations across different societies.

While the main thesis of this study is that low levels of generosity in society are created by the spread of the capitalist ideology, I also seek to examine intervening variables that will help to explain the broader relationship. The intervening variable that I am considering is materialism. Materialism is defined as the "set of centrality held beliefs about the importance of material possessions in one's life" (Richins and Dawson 1992: 308), convincing people to believe that the accumulation of material things is a central component of a good life.

This work suggests a relevant connection between capitalism, materialistic values and the declining of generosity attitudes in any modern society. The chain of events is summarized as follow: First, neoliberal capitalism promotes an ideology of self-interested behavior and strong competition among people. Second, the key expression of self-interest in capitalist societies is manifested through the development of materialistic values. Third, the interaction of capitalism and materialistic ideology would lead to the loss of moral attitudes toward others, thus decreasing generosity.

Since many explanatory models of people behavior tend to underestimate the role of deeply embedded values and emotions (apparently because they are hard to measure and control), my primary interest is to know how individuals have been impacted by the modernization process and the capitalistic ideology.

To accomplish this goal I am going to study the relationships between capitalism economic system and materialistic values as variables that may explain the diminishing sense of individual's pro-social behavior, more specifically the expression of generosity.

In addition, little effort has been made by scholars to examine the relationship between capitalistic ideology and generosity in a more global context; instead, generally they have focused primarily in few countries or in a certain region. Substantial evidence demonstrates that the process of modernization has a distinct and generally consistent effect upon both individual and collective behavior. Despite this fact, previous studies have generally failed to examine, at least comparatively, the impact of economic ideology on generosity.

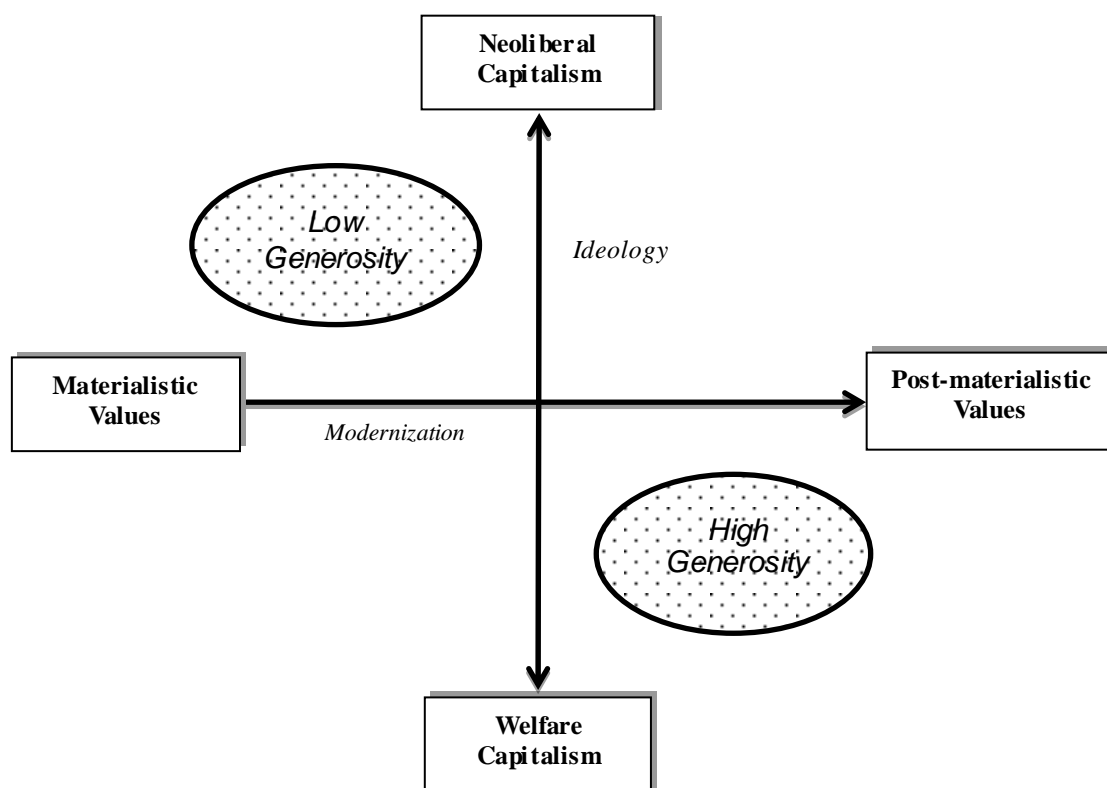
I argue that by studying generosity in a comparative context, examining the cross-culturally evolution as a consequence of modernization and capitalistic ideology, one can understand the changes on people's hierarchy of values. This examination of the changes of generosity in countries with different degrees of capitalism is an attempt to synthesize a broad body of information and to extract from it some tentative conclusions on the impact of diverse economic ideology on the exhibition of generosity. This study integrates data from all regions of the world, from societies with different forms and levels of capitalism, and from diverse cultures and political systems.

The changes on generosity are examined in terms of several distinct sociological and economic measures. This study does not oversimplify the relationship between capitalism and generosity. Every effort is made to show that it is the complex economic variations that contribute to the observed patterns of generosity. My analysis shows that a multilevel relationship exists among different variables associated with the process of economic ideology and the occurrence of generosity.

This dissertation is an attempt to draw together the research literature on economic ideology and its impact on social issues, insofar as it bears, on the relationship between the capitalist systems on people's generosity from a cross

national perspective. In addition, I also seek to answer some questions that may tie together some of the loose ends in the existing research on economic characteristics and generosity in a cross-national perspective. Finally, this study should produce a more complete depiction of cross-cultural differences in generosity orientations from a macro-individual level perspective.

Figure 1-1. Modernization theory and Capitalistic Ideology



Research Questions

- a) How do the intersection between modernization theory's values change and economic ideology matter to the specific value of generosity?
- b) If materialist values share considerable commonality with capitalistic ideology. Are they able to be attained through a universal process? Are they rather not due to different levels of capitalism in each country?
- c) To what extent does economic ideology moderates the effect of capitalism on individuals' levels of generosity across nations?

What is Generosity and why is it relevant to society?

Generosity is a unique variant of pro-social behavior. In this study, I define generosity as: "the disposition of freely giving one's possessions, money, time, attention, and acts of kindness (the small acts of generosity that often go unnoticed) and more to others. Based on this definition, generosity, acquire connotations of noble and magnanimous human value. Because we envision generosity as a disposition, it is unilateral—emanating from an individual — by definition" (Collet and Mossissey 2007: 21).

From the same source I extracted the following characteristics of generosity:

- a) Generosity is a learned character trait that involves both attitude and action—entailing as a value both an inclination to give liberally and an actual practice of giving liberally.
- b) Generosity is therefore not a random idea or behavior but rather, a basic, personal, moral orientation to life. Furthermore, in a world of moral contrasts, generosity entails not only the moral good expressed but also many vices rejected (selfishness, greed, fear, meanness).

- c) Generosity also involves giving to others not simply anything in abundance but rather giving those things that are good for others. Generosity always intends to enhance the true wellbeing of those to whom it gives.

Generosity is not new to human societies; in fact it has been deeply embedded in many religious beliefs and traditions. The study of generosity is important because it is a concept that rests deep in our value systems, influencing the decisions and actions we implement in our lives.

Defining achievement by what one gives rather than what one has is neither a new practice nor an exceptionally idealistic view of human values. Generosity is deep-rooted in our history. It is more basic to people's psyche than seeking wealth, money or material possessions (Polanyi 1944). For instance, in hunter-gatherer societies the hunter's status was not determined by how much of the prey the hunter kept for his own use, but rather by what he brought back for others to share (Hart 1978).

In our day-to-day work life, we are generally motivated more by the desire to be seen as contributing members of the group than by a moment-by-moment calculation that helping others will gain them a promotion or pay raise. Calculated generosity misses the point. The true benefit of generosity is not a material gain but an inner sentiment that touches the inmost layers of our being. If we put less value in material possessions and more in people, the boundaries between people will become less evident, and we will feel part of the community in which it is possible to share resources, emotions and ourselves.

Awkwardly, whenever we have to deal with our sense of property, we become very sensitive. A deep-rooted anxiety invades our mind and behavior. It is generated by many years in our history of scarcity, poverty, and ideology of

private property. However, people have not always been so concerned about material possessions. Anthropologists have shown that the institution of property as we know it is not the same in all cultures. For instance, nomadic societies that still live as humans once did-by hunting and gathering-are organized in a way very different from ours. They possess much less, produce much less, and share much more. Modern people have a very different conduct nowadays, such as defending our possessions, counting them, wanting more of them, and envying those of others (Hart 1978). As Kolm and Ythier (2000: 58) put it, "living in society and the quality of its outcome require the respect of all individuals, basic fairness, and readiness to help. The quest for self-interest is often in fact that of means to give to one's family, secure the respect of others, and sometimes help others or support causes. Without the required concerns for others, self-interested interactions would produce miseries; fail to work through exchange and degenerate into wars of all against all".

Baudot (2001) describes how in a capitalistic society values begin to be attached to economic transactions and efficiency, invading all aspects of public and private life. Individuals tend to have fewer non-commercial personal and social relationships, and do not respond to concepts of generosity or hospitality.

Additionally, Sylvia et al (2008: 1) believe that:

"Where generosity isn't there, there appears to be less creative problem solving, less ability to care for those who need assistance, more negativity, greater reliance on Government and other organizational decision making and direction, and poor community self-esteem."

I argue that these values change have become even more relevant nowadays due to the transcendental social changes that the world is going through. The world is now facing serious economic and social crises: climate change, peak oil and inequality to name a few. It seems that scientific, economic,

and technological solutions to these problems have not been successful. The problem seems to be moral, the diminishing of social values, not technical. It is a values issue. Society has allowed the capitalistic ideology to transform people from caring individuals into self-centered consumers. People in the modern world have become addicted to the accumulation of material goods.

I argue that this phenomenon is also impacting our social values in many ways. One of the main causes is a highly encouraged value of the modern advanced world, competition which has become a central principal of the capitalistic system. Generosity, a key value in other cultures, is now seen as a sign of weakness in the modern world.

One possible alternative to this problem is the notion of community. Community is the core aspect of a new set of values and a new awareness that must replace the materialistic driven mentality. I envision a society based on cooperation and care rather than competition and exploitation of natural resources. Generosity is one of the important elements at the center of a bonded community and, as such, offers a challenge to our current societal recognition of individual material pursuits.

My thesis is that people's pro-social values have been seriously tainted since individuals become dependent on material accumulations. Conversely, I argue that it is more beneficial, in the long run, for the society to have fewer material goods but better human relationships. Capitalistic system may have created more wealth but we are losing the sense of community that will keep us thriving in difficult times.

Nevertheless, generosity is also beneficial to capitalistic societies as it dissipates isolation, which can lead to weak communities. For instance, the giving of time can help break down the cultural barriers or generational barriers that leave people disconnected from wider communities – it opens doors into

new networks. On the whole, evidence shows that where generosity and social capital levels are high, “children grow up healthier, safer and better educated, people live longer, happier lives, and democracy and the economy work better” (Putnam 2006: 138).

Plan of the Study

This thesis implements an examination into the empirics of generosity and neoliberal capitalism ideology, with the aims to provide an operational definition of the concept and to shed light on the nature and form of ‘causal’ relationships connecting neoliberal capitalism to its predicted outcomes. The outline of the thesis is as follows:

In chapter 2, I will discuss the concept of generosity and its roots in the traditional philosophy through to modern theories of pro-social behavior. Basically, it reviews the literature on generosity in a descriptive and critical perspective. The survey points out the benefits generosity creates for both, the individual and the community. In addition, this chapter also examines the importance of generosity to economics.

Chapter 3 builds the theoretical framework for the development of this research. Critical aspects of Modernization theory and capitalistic ideology are explored in detail.

The connection between capitalism and materialistic values is also examined. And finally, a review of the most relevant critiques and positive aspects of capitalism are presented from the point of view of important classical and contemporary thinkers.

Chapter 4 describes the empirical evidence for the impact of inter-personal and cross-national functioning on variables of capitalism and generosity. This chapter describes the methodology used on this dissertation. Due to the

characteristics of this study it will be more appropriate if conducted in two interrelated levels: the individual level for the analysis of individuals' generosity and the aggregate level for the degree of capitalism displayed in each country using a multi-level design. Thus, I will use Hierarchical Linear Modeling (HLM) approach to analysis these nested data structures.

Chapter 5 investigates the intensity and direction of relationships linking capitalism and materialism to generosity. The analysis substantially confirms relationships emerging from the hypothesis, but also points out some notable exceptions and poses the need to make important specifications and to carry out further researches.

Chapter 6 presents some concluding remarks and guidelines for further researches. I outline a number of implications of this research for individual development, community significance and eventually public policy.

CHAPTER 2

GENEROSITY

Why is generosity worth studying and caring about?

There are many reasons for individuals and even communities to be concerned about generosity. Generosity permits people peaceful existence, performance, and quality in various ways. Generosity is an essential value in our social life because it influences our conception of justice and impacts the common good; it permits the existence of a free and pacific society through the respect of others; it is crucial in general sociability and hence for the essential convenience of life in society; it constitutes the most basic social bond; and it is the most universal criterion for judging the intrinsic quality of social relations and of individuals (Kolm and Ythie 2006). In short, the manifestation of generosity has intrinsic benefits not just for the receivers, but for the givers, the community and for society as a whole.

Castells and Cardoso (2005: 345) also mention the importance of generosity when discussing the main components (caring, communality and encouragement) of a social reform in a network society. They say, for example, that caring is a basic component of generosity. Caring is related to a principle of equality and justice. It can also be called fairness or the inclusion of all. Caring means that people desire and work generating equal opportunities for everybody. From a global perspective, it means that people demand equal opportunities of all the people in the world. The word "caring" is used in this context on purpose, to underline everyone's responsibility for caring for other people. The second component mentioned is communality. Communality relates to the essential value of fraternity. It means openness, belongingness, willingness to include other people and to do things together. Communality is one of the

most motivating experiences of life. Because nowadays it is not frequent being part of a larger community that shares one's interests and values.

And finally, is encouragement. The realization of communality is the precondition of encouragement. Encouragement refers to an enriching community whose members feel that they can achieve more than they ever could alone. In an impoverishing community, individuals feel that they are less than they could be. Encouragement means that individuals choose to enrich, not to impoverish, other people when you interact with them. Encouragement means that you incentive people on, including oneself, to be the best they can and that everybody give them recognition for their achievements. Encouragement is actually another form of generosity. It can be summarized as follows: "Not wanting to take anything away from other people; instead, working to make it possible for everyone to have more."

Other people should not be considered as threats that must be diminished; instead, they are opportunities that can make the world richer for us all. There are not scarce resources in the world, there is plenty for everyone. The lack of communality and encouragement creates an atmosphere of greed and accumulation that eventually creates this sense of scarcity (Castells and Cardoso 2005).

The above description of features of a network society emphasizes generosity as the basic of human values, which form the foundation for other social values as freedom and creativity that are related to self-fulfillment.

The following inter-related reasons explain, in more detail, the importance of generosity in society:

Benefits to the individual

There are not only common public benefits to increased levels of

generosity. Individuals also receive their own benefits. At the individual level, community participation with acts of generosity can be inspirational because it provides individuals a sense of belonging, as well as helping them toward a life in community. When individuals practice generosity, it can create different types of actions of reciprocity or social interaction. Robinson (2004) talks about how those with 'weak' ties are more likely to share their resources with others. Giving and receiving helps individuals to connect with others in meaningful ways, and provides people with a sense of worth and vocation.

Generosity enables individuals to participate in issues of importance to them and those around them, as well as to offer services to others members of the community. Generosity permits individuals to help creating the type of society they want to live in. For instance, people may move from an occasional volunteer action to a more continued commitment in activities associated with development and change, and the other way around. These advancements may create a better understanding of the issues producing the socio-economic conditions that social activists support, and can also reinforce social inclusion by promoting people's participation.

Generosity can also help individuals to develop new skills and knowledge. Through giving to others, individuals not only apply the skills and knowledge they already have, they can also learn new skills and knowledge through these acts of generosity, which they can transfer into other aspects of their life. For instance, through volunteering, individuals can often try new activities or enter different disciplines. Working with different people in different environments expands their social perspectives.

Likewise, in the working place, the potential to develop new knowledge and skills has been noted by organizations that engage in employee volunteering. By working in a different role as a volunteer, employees can develop existing and

additional transferable skills. Employee evaluations suggest that enhanced communication, coaching, and teamwork skills particularly benefit employees (Tuffrey 1998).

Furthermore, by growing generosity, it may be possible to avoid some of the challenges that generate social isolation, low levels of civic engagement, etc. "Fear, mistrust, isolation and conflict grow quickly without the essential enzyme of generosity." (Muller and Scriber 2002).

Finally, some research has suggested that people that give are happier and healthier and they feel good about themselves (Hoffmann-Ekstein 2007).

Benefits to the Community

Instinctually, human beings have a significant need for one another. People have this "instinct of community". However, it seems that at this present time, this instinct to be together is becoming weaker and less consistent. Unfortunately, some individuals are using the notion of community as an instrument to separate and shield them from one another. People are growing fragmentation and separation (Beckhard, Goldsmith, Beckhard and Schubert 1998). Conversely, from a biological point of view, a requirement for living creatures to survive is to seek for community. Life is system-seeking; it needs to be in relationship, to be connected to others. Biologist Lynn Margulis (1998) notes that *independence* is not a concept that explains the living world; it is only a political concept that people have invented. Species that decide to ignore relationships, which act in "greedy and rapacious" way, simply die off. The instinct of community is everywhere in life.

Along these lines, Eckstein (2001) says that too much attention is given to individualistic-grounded generosity, with the result that the collectivistic nature of giving is often ignored. He remarks that groups (rather than individuals)

initiate, inspire and oversee many generous practices in our society. In addition, Muller, Nepo and Scribner (2002) compare market economies with gift economies, where community gain is put before individual gain.

This study argues that the concept of generosity, and its visible manifestations, can closely be linked to idea of 'community' and social equity, because the absence of generosity creates a society that lacks connectedness and spirit of solidarity.

Community involvement can also lead to improve community relationships, creating stronger communities that are able to participate more efficiently. For instance, another reason for the increased interest in promoting generosity is because greater community involvement can help create cohesive communities that connect them with other communities, because generosity is also firmly connected to the notion of reciprocity and solidarity. Our generous actions create trust and leave open the possibility of future returns from others (Wilkinson and Bittman 2001). Often times the return of the favor is instantaneous, but in other instances there is more 'generalized reciprocity' or broader community connectedness. The latter is a sign of honesty and trust that "lubricates the inevitable frictions of social life" (Putnam 2000: 135).

Creating generosity is often a recurring process. Existing social networks make available venues to recruit each other for good actions and foster norms of reciprocity. People who receive help are then more likely to help others.

Another important consequence of the idea of connected communities is the perception that building civil society generates civic participation. This means encouraging volunteering, donations, or engaging in local politics. For instance Robert Putman said: "...volunteering is part of the syndrome of good citizenship and political involvement, not an alternative to it...Volunteering is a sign of positive engagement with politics...Conversely, political cynics, even

young cynics, are less likely than other people to volunteer.” (Putnam 2000: 132).

Generosity builds commitment, which builds sustainable, resilient communities that can respond and adapt to changing demands, tough times, and emergencies. These characteristics are especially important in time of crisis. It has been proved that stronger communities can deal with faster and more practical solutions to natural, social or economic disasters.

People who give to their communities are taking ownership of social issues and are more likely to contribute, and want to contribute, to finding solutions to common problems. This is important as the needs of society cannot solely be met by government alone – government is not our sole ‘public caretaker’ - we all are in our various civic roles. Thus, “generosity is about ownership and community building” (Sylvia et al, 2008).

Internationally, there is renewed interest in civic engagement and social inclusion. Patel (2008) believes that this “is due in part to the changes brought about by the globalization process and concomitant social and economic disparities within and between countries.” She points out that the costs of social exclusion are high and cannot be ignored as they impact negatively on productivity and economic growth, as well as social cohesion of communities. Patel argues there is a “link between social exclusion, disempowerment, a loss of confidence and trust in national governments, and violence, and it is increasingly being made as reflected by ongoing political violence, youth violence and ethnic and religious strife around the globe.”

According to Patel, civic engagement is one vehicle to promote active citizenship and social inclusion. Civic engagement or participation includes everything from participation in elections, to participation in local neighborhood level decision-making structures, volunteering and service programs.

One of the important consequences of generosity is the creation of spirit of

community and this offers a challenge to our current shared celebration of the individual material pursuits.

The creation of renewed spirit of community is one possible solution to many problems that society faces at different levels. Community is the essential aspect of a new set of values and a new consciousness that must replace the self-interest driven mindset. This study, envision a society based on cooperation and care rather than competition and exploitation of people and natural resources.

My thesis is that the pro-social behavior culture has been seriously degraded since people have become addicted to the ideology of self-interest, competition and desire for material accumulations. And we do not realize that it is far more beneficial for the society to have fewer material goods but better human relationships. I believe that modern people may have gained wealth but we are losing our sense of community.

Generosity and its relevance to economics

Generosity has a substantial importance for society and its economy, especially regarding the way people is organized to allocate their resources. Likewise, economics has also been interested on people's pro-social behavior, with innovative works from economists such as Adam Smith, Vilfredo Pareto, John Stuart Mill, or Léon Walras, for instance. These studies focused notably on analyses of "interdependent utilities" motivated by morality, compassion, or a sense of justice, and of reciprocities. Generosity also relates to the field of normative economics and "social choice" since caring about the quality or fairness of society implies caring about other persons. These studies seem to have proved that the general concepts and methods of economic analysis can be very helpful for the study of generosity, provided that the relevant motives, sentiments, and types of relations are adequately considered (Kolm and Ythie

2006).

In economic theory, communities come into existence as the definers of the individual property rights necessary to make market economies work and as the enforcement institutions necessary to stop inside or outside competitors from taking advantage of other people rights and property. In a capitalist ideology, the individual consumer stands alone as the driver of the system. Individuals maximize the only things that provide them utility in terms of consumption and leisure. Capitalism, new technologies, and new organizational forms have had a profound effect on our sense of community in the past years.

Generosity can also lead to a better distribution of resources. Generous beliefs move people, allocate goods, and structure societies. Generosity can also be viewed as a redistribution of resources. This aligns closely with Polanyi's discourse (1968) whereby concepts of giving are reinforced by the idea of redistribution of collectively-held resources to areas of community need. For instance, some individuals consider that there is currently an imbalance of wealth (in all its forms) within society and amongst individuals. From a different perspective, it may be that there is unused wealth or capital which could be better directed. Generosity could alleviate inequality, collectively through the support of people help, and individually through private and organized giving (Stiglitz 2012).

Life in society requires forms of pro-social behavior, the respect of others, basic fairness, and willingness to help. The pursuit for self-interest is often in fact that of means to give to one's family, secure the respect of others, and sometimes help others or support causes. Without the required generous actions and concerns for others, self-interested interactions would produce undesirable consequences; fail to work through exchange, and degenerate into conflict of interest of all against all. Then, pro-social values such as generosity and

reciprocity are “human rocks on which societies are built” (Mauss 1924).

a) Generosity and its influence on businesses organizations

Where businesses are involved, community involvement can lead to increased employee satisfaction, improved community relationships, and stronger communities that are able to participate more effectively in the economy.

Businesses that invest in social programs that address poverty are direct consequence of the understanding that poverty is not only a problem with serious implications for society; it also affects business profitability and the long term sustainability of business (Zadek and Tuppen 2000).

Generosity helps businesses build good relationships with community sponsors. It leads to greater involvement on social responsibility. It has become part of a business' ethical responsibilities. A recent IBM Global survey of 250 business leaders worldwide found that companies no longer view community social responsibility as a discretionary cost (IBM Corporation 2008).

People around the world are now expecting and demanding businesses to incorporate the component of social responsibility outcomes into their general business planning. A business with a reputation for being generous (both through what it gives and how it gives) will have good relationships with its community social supporters. This may in turn improve company loyalty and branding, with positive byproducts for performance.

Businesses are seen as behaving ethically and managing beyond their bottom line when they are concerned for their workers, their families, communities and society at large. Thus, generosity for business is not just about how the business interacts with the community around it. There is also generosity in the workplace, which is about how staff is treated and how they

treat each other.

On the other hand, generosity can also create employee satisfaction. Employees engaged in activity such as employee volunteering often find it fulfilling. Furthermore, employees may also experience a sense of pride in working for organizations that practice community social responsibility. Satisfied employees, mean a reduction in employee turnover and litigation (which is good for business performance).

In other words, ethical and moral aspects, and not just the economics of financial, wellbeing of a community is critical for business success. Fragile, corrupt, unhealthy and uninformed communities do not make space for the creation and development of strong markets and employees. Therefore, there is commercial benefit in businesses helping to build stronger communities. "Well-known companies have already proven that they can differentiate their brands and reputations, as well as their products and services, if they take responsibility for the well-being of the societies and environments in which they operate." (IBM Corporation 2008, p1)

Additionally, Porter and Kramer (2002) highlight that philanthropic investments made by companies in a geographical cluster can have a powerful effect on the competitiveness and performance of the whole cluster (e.g. investments to improve a local university can improve the quality of a pool of employee candidates).

b) Generosity and its importance for nonprofit organizational survival

Generosity is important for the subsistence of non-profit organizations, especially during an economic decline when non-profit resources are further exhausted and demand on many non-profit services increases. For instance, in average, charitable donations and volunteering represents about 50% of total

non-profit income.

The work of nonprofit organizations has the intention to make the world a better place. Through giving, donors may wish to improve a big variety of social and natural issues, for instance, to make the distribution of wealth more equal; they may wish to reduce poverty, empower women, safeguard human rights, to protect animals, wildlife, or the ozone layer. Endorsement of generous values generally has a positive association with charitable giving and acts of generosity. For instance, according to Dollery and Wallis (2003: 59) “the ‘transactions costs’ involved in mobilizing governmental response to shortages of collective goods tend to be much higher than the costs of mobilizing voluntary action”. For government to perform, considerable sectors of the public must be involve, for example, public officials must be informed, laws must be written, and programs must be put into operation. In contrast, to generate a voluntary sector response, a handful of individuals acting on their own or with outside contributed support can suffice.”

In addition, generosity helps build innovation in the sector. The community and voluntary sector is often praised for being innovative. Great amounts of private donations and volunteering are likely to lead to a more innovative non-profit sector as these contributions are less probable to be labeled to specific causes or issues, and there is more chance of finding donors who are ideological entrepreneurs willing to invest in any generous endeavor.

Furthermore, there is potential for more practical and efficient innovations that comes when sectors (e.g. private and non-profit) share resources. Both sectors offer different strengths and capabilities, and if they work together well, there is a greater possibility for developing new universal solutions. Through the generous projects, donors and volunteers can be more responsive to a broader kind of community’s cause and activities. Each person or business is a point of

connection to a new network through which an organization can build awareness of its cause and brand recognition.

Lastly, I argue that the notion of generosity have become more relevant nowadays due to the transcendental socio-economic changes that the world is going through. The world is now facing serious economic and social crisis: climate change, peak oil, and inequality to name a few. It seems that scientific and technological solutions to these problems have not been successful. The problem seems to be moral, not technical. It is a values issue. We have allowed the capitalistic ideology to transform people from caring individuals into self-centered consumers. People in the modern world have become addicted to consuming material goods. The economy growth has been based on the principle "greed is good", and the results have not been very promising, as we already know. For instance, it is not difficult to notice, after many recent events all over the world that there is a decline in public morality. Especially, when pay attention that in today's people's life the deliberate pursuit of self-interest is openly admitted and people are admired for being materially successful, irrespective of how they achieved it. One of the main causes is materialism, a highly encouraged value of the modern advanced world, which has become a central component of our economic system. Conversely, generosity, a key value in other cultures, is now seen as a sign of weakness in the modern world.

Our current economic system may have created more wealth but we are losing our sense of community that will keep us thriving in difficult times.

CHAPTER 3

MODERNIZATION, CAPITALISM AND MATERIALISTIC VALUES

Modernization Theory

Since the turn of the 20th century, social scientists have been identifying connections between economic development and social and values change. Are people's values changing over time? What are the main causes of these values' change? What are the implications of value changes for social development? These questions have been central to a wide range of social science disciplines such as, economics, political science, sociology and anthropology. This interesting development has been the essential subject of modernization theories and may be illustrated by the spread of some traditional Western values (i.e.: materialism and individualism) in Eastern societies (Chiou 2001, Singelis et al. 1995).

In short, modernization theory emphasizes that the extensive economic and political forces that drive cultural and social change are creating a convergence of values around "modernization". Thus, this theory predicts the decline of traditional values and their replacement with new modern values (Inglehart and Baker 2000).

In general, modernization theories attempt to explain the causes and implications of social change (see Eisenstadt 1966, Gusfield 1967). More specifically, these theories have attempted to connect diverse institutions, such as religion, family, education, labor, and economics (Moaddel 1994, Smits, Ultee and Lammers 2000, Inglehart and Baker 2000) in the pursuit of explaining the national existing and projected social structures (Geertz 1973).

One of the most contemporary and influential works about modernization comes from Ronald Inglehart, who for over four decades has been arguing that a

“silent revolution” has been taking place creating a deep cultural shift across the world. In his theory, Inglehart (1977, 1981, 1990) separates people’s hierarchy of needs into a dichotomous set of socially and politically relevant values: First, a *materialist orientation* that reflects an individual’s concern with the lower-order physiological and safety needs and second, a *post-materialist orientation* associated with concern for humanistic, higher-order belongingness, and self-actualization needs.

Inglehart (1977, 1981, 1990) states that environment conditions (especially levels of economic and physical security) are the primary determinants of the values that shape the social and political outlook of individuals. For instance, not only has the economic security of the average citizen increased objectively, but also their sense of existential security. As a consequence, individuals are developing new value priorities. People no longer stress issues such as economic growth or the struggle against rising prices, but prioritize issues such as freedom of speech, political participation, environmental protection and humanistic values.

The implications of this theory seem to be evident and reasonable. It holds that post-materialist values emerge as people come to place greater emphasis on self-expression, autonomy and the quality of life once the basic human needs are secure. This shift is associated with changing of societal conditions. In short, Inglehart (1977, 1997) is arguing that there is a direct relationship between economic and technological development and value change, especially in the transition from to more complex levels of technological and economic development or in other words from materialistic to post-materialist values.

While, Inglehart examined changes in religious beliefs, work motivation, political conflict, attitudes toward children and families, and attitudes toward divorce, abortion, and homosexuality, he did not examine the effect of level of

economic development on people's pro-social orientation. Whereas the theory of value change as such has motivated an abundance of research articles, few of them have tested the theory's implications for pro-social behavior (i.e. generosity). Therefore, in this work I analyze the impact of capitalist ideology on people's attitudes toward generosity.

From Inglehart's work (1977, 1981, 1990), I hypothesize that noble, higher-order values such as generosity will receive more approval and support as economic pressures decline with increased economic development. In particular I am interested in how the spread of neoliberal forms of capitalism affects attitudes toward generosity in different parts of the world.

Inglehart uses the notion of modernization to advance his propositions. This dissertation work argues that the concept of 'modernization' is too broad, because it includes: industrialization, centralization, economic development, occupational specialization, development of knowledge, urbanization, and so forth. I argue that an alternative variable that affects people's values change is neoliberal capitalism. Therefore, in this study I use this more explicit variable that may capture in a better way the notion of modernization. The variable is the degree of capitalism present in every country subject of this study.

Capitalism is an economic system but is also an ideology that promotes a series of beliefs that helps to sustain it. Since capitalism is seen as a central element of a modernization process that affects most other elements of society (Inglehart and Baker 2000), modernization theory suggests that the causal arrow points from market capitalism toward individual values change. Thus, a key question that this study asks is whether the degrees of capitalism on a given nation will necessarily produce changes in people's pro-social values, specifically expressions of generosity.

This study analyzes to what extent capitalism affects social life and shapes

people's generous behavior. My motivation is rooted in the tradition of sociologists who have examined other broad, socio-cultural features such as religions, political systems, etc. on individual values. The literature shows how wide-ranging socio-cultural ideologies often have an enormous influence on people's interpersonal relationships, motivation and behavior. Therefore, "there is a good reason to expect that capitalism would be even more relevant, as it is in the very nature of economic systems to motivate behavior, and determine rules for many human interactions" (Kasser et al. 2007: 2). Therefore, this study investigates the impact of macroeconomic conditions (degree of capitalism) on the formation of pro-social values in society (generosity).

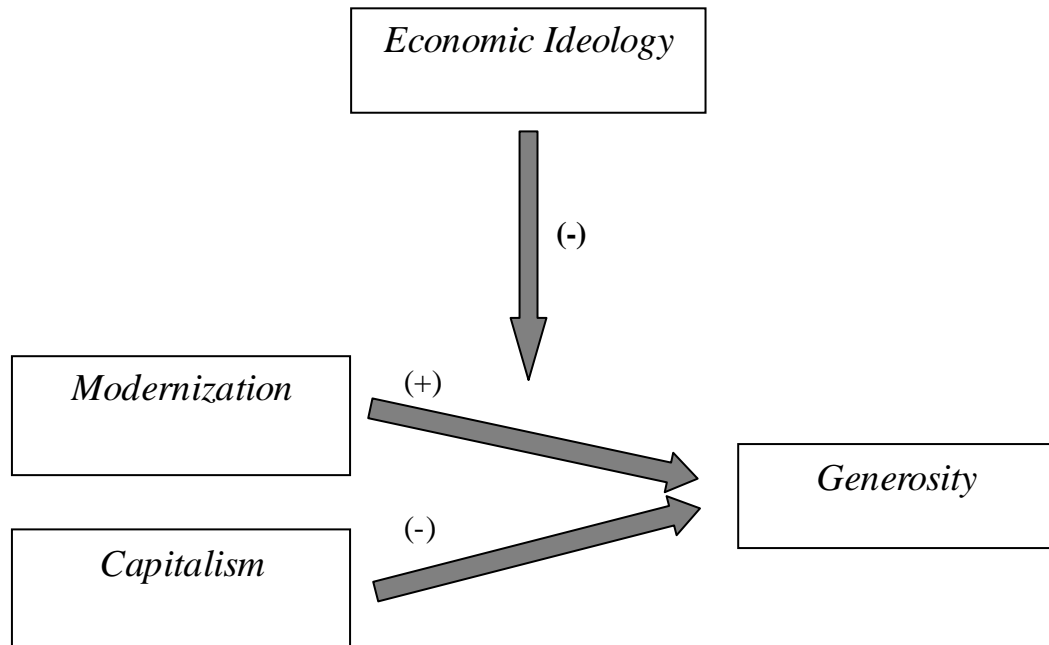
On the other hand, some scholars argue that the modern 'consumer society' has created an increasing demand for material goods and services (Bell 1973, Baechler 1975, Weber 1964), because rising incomes make more money available to everybody for "more consumption", and the variety of commercial organizations and marketing create a continuous desire for more. For instance, in capitalist countries with surplus capacities of production, the creation of a corresponding demand and need for consumption becomes a priority (Galbraith 1967), and it is enhanced by the competition with others which can never be fully satisfied (Hirsch 1976).

While the main thesis of this study is that low levels of generosity in society are created by the spread of the market capitalist ideology, I also seek to examine intervening variables that will help to explain the broader relationship. One of the intervening variables is materialistic values, that according to Richins and Dawson (1992: 308) are defined as the "set of centrality held beliefs about the importance of material possessions in one's life", convincing people to believe that the accumulation of material things is a central component of a good life.

This study suggests a relevant connection between the capitalism system,

materialistic values and diminishing levels of generosity in any given society. First, capitalism promotes an ideology of strong competition, emphasizing self-interest and private gain. Second, the key expression of self-interest and private gain in capitalist societies is manifested through materialistic values. Third, materialistic values lead to the loss of moral sentiments toward others that may interfere with people's generous orientation.

Figure 3-1. Model of Proposed Variables



Capitalism and Materialistic Values

Capitalism is the dominant economic system in the world. It is a complex economic system that although it has been effective in generating great wealth, accumulation of material capital, developing better technologies and perhaps alleviated various problems confronted by society; there are also some unanticipated consequences. For instance, it seems that capitalism is not very good assuring or generating moral or ethical principles, such as trust, integrity or generosity (Sachs 2012).

In fact, the essence of capitalism system is essentially guided by the principle of maximization of profit (Friedman 1962, Friedman and Friedman 1980); it is not designed to safeguard or promote moral or ethical principles. Therefore, societies cannot rely on capitalism to take care of people's ethical or moral considerations and needs.

For most people, capitalism now seems the natural order of things (Wright 2012), thus, those statements may not seem too obvious because there is a widely held belief that the markets, in a capitalist society, will take care of all our individual and social needs. This idea comes from the classical economic theory that holds that the common interest is best served by allowing individuals to look out for their own interests (Smith 1776).

Certainly, these processes have been studied by economists, however social and cultural consequences have generally remained at the margin of the economic analysis. In recent years, though, an increasing number of researchers have begun to pay attention to the interplay between these two broad aspects.

In this study I acknowledge that capitalist system is now a central and important part of people's social life in the majority of countries in the world. I am not arguing that a capitalistic society is entirely opposed to the idea of a moral society. For instance, Friedrich Hayek (1948), the ideologist of the laissez faire economics, was a firm believer in the concept of a moral society. Likewise,

Milton Freeman was a strong advocator of capitalism as the source of political freedom in society (1962), and finally Ayn Rand's (1964, 1966) speaks extensively about the 'virtues of capitalism'.

The main characteristic of modern capitalism that differentiates it from earlier versions is its intrusion into areas that were previously administered by strictly social institutions. Following Polanyi (1944), I hypothesize that the spread of market ideologies intrude into areas outside of economics and affect societal values such as generosity.

Joyce Appleby (2010, p.87) says it very clearly when referring to capitalism subliminal influence on people's values:

"An important component of capitalism's triumph over traditional order came from getting people to change their minds about fundamental values. Their world had been held together by a coherent set of ideas that did a pretty good job of describing the way things worked in a world of scarcity. The distribution of praise and disapproval in songs, sermons and old sayings kept people in their proper places. Since we learn social prescriptions while we are growing up, we rarely give them much thought later on. Studying how they function is the province of sociologist and psychologists. But in a history of capitalism they cannot be ignored because capitalism relied on people's acting differently: taking risks, endorsing novelty, and innovating. The calico craze epitomized this switch to a new way of being in the world."

My critique of capitalism seeks a better understanding of its influence on moral or ethical space. By this I mean the erosion of moral values on both the individual and the aggregate level (Sennet 1998). In the same line, Wright (2012: 2) states that "the market appears like a law of nature uncontrollable by human device; and politics are ever more dominated by money and unresponsive to the concerns and worries of ordinary people."

In fact, crudely speaking, corporations do not aim at promoting employment; in reality, they employ people (as few and as cheaply as possible) to

make profits. Health care companies are not in business to save lives or to improve individuals' well-being; they provide health care to make profits. Mining companies do not protect the environment except to the point of meeting state regulations or to protect their public image. Full employment, affordable medicine, and an unpolluted environment may, under certain circumstances, be just the by-products of capitalist practices, but such desirable collective goods cannot be assured by the profit motive alone.

Any society to function properly in humanistic terms, need social and moral values, such as: peace, security, social order, and particularly elements of social justice, and specifically, generosity. Since these values do not find expression in the market mechanism, they have to be considered as part of the collective interest of society (Sayer 2011). However, economists question whether such collective interests exist at all. Society, they argue, consist of individuals, and their interest are best expressed by their decisions as market participants. For instance, if individuals feel the need to express moral behavior, for example generosity, they can express it by giving money away. In this way everything can be reduced to monetary values. It hardly needs saying that this view is at least inadequate. There are things people can decide individually; there are other things that can only be dealt by collectively. For example, as an economic actor, I try to maximize my profits. As a member of a community, I am concerned about social values, such as peace, justice, freedom, etc. I cannot give expression to those values only as a market participant. Unfortunately, we cannot deny that human beings respond to the economic and social forces influenced by their perceptions and attitudes that simultaneously impact the forces acting on them (Granovetter 1985).

The social aspects that cannot and should not be ruled solely by capitalist ideology and market forces include many of the most important values in

people's existence, extending from ethical values to aesthetic tastes. Yet neo-liberal ideology is persistently trying to extend its influence into these areas, in a form of ideological domination. According to the classical economic theory, all social actions and individuals' interactions should be viewed as transactional, contract-based interactions and valued in terms of monetary value. All people's activities should be controlled and guided by the ideology of self-interest, maximization of profit and competition (Samuelson 1947). If that ideology spreads to non-economic spheres of social life one could see significant, disturbing social effects.

In short, the majority of people behave as rational economic actors who try to obtain the best possible outcomes in the market. On the other hand, we are also moral beings who try to do the right things in our communities. These situations seem to present us with a real riddle. Regrettably, as many of us have experienced first-hand, our economically rational decisions are often in conflict with our moral principles. One way we have for coping with this conflict is by avoiding or denying this conflict. Generally speaking, people prefer that the decisions they make as economic actors not reflect upon our moral values.

Founders of Sociology and Capitalism

The consequences of economic ideology have been a concern of the founders of sociology (i.e. Marx, Weber, and Durkheim). A brief description of the work of those classical sociologists is presented in the following pages. These descriptions are based primarily on aspects that relate economic ideology (i.e. capitalism) and its influence on people's lives and on society as a whole.

Marx

It is evident that the economic realm is the center of Marx' theories; he believed society to be the outcome of social superstructure; and he argues that it

is the economic ideology that determines all other social structures (i.e. politics, culture, and religion.)

Marx (1867) argued that social and political structures are derived from the economic means of production. For Marx the social superstructure is determined by the economic ideology of a society. This economic ideology includes the division of labor; a division that generates conflict between common and individual interests. Marx (1867) also claimed that the modern form of the state serves the interest of the ruling economic class by oppressing the collective interest of the proletariat.

In Marx's terms, the key feature of modern bourgeois society is the class antagonism of the Bourgeoisie (capitalists) and the Proletariat (workers). The proletariat is subordinate to and serves the bourgeoisie, who own the means of production. Modern societies with the institution of the global capitalism are the product of the bourgeoisie, who function by the ideology of free-market, and exploit the proletariat in the form of wage-labor.

For the bourgeoisie, labor is an economic commodity like other material goods, and enforces proletariat to sell its labor on the market as cheap as possible and experience inadequate working conditions. It is the bourgeoisie that control the proletariat for their own interest. The continued growth and development of capitalism leads to the accumulation of power in a few hands leaving the majority of people at the willingness of the powerful.

Durkheim

Durkheim also considered the economy to be one of many contributing elements that shape a society. However, he believed that the economy has no advantaged position in the formation of the social structure. A social fact as defined by Durkheim is a peripheral element that has a strong influence and

control over the individual (1893). This control can be economic, but it can also be ideological. For example, Durkheim believed that religion could be a key element on the economy as well as morality, art, and science.

One of the most important contributions of Durkheim work (1893) is the notion of *anomie*, defined as the condition of deregulation that occurs in society, in short, anomie is the condition where social and moral norms are vague, or simply absent; this lack of norms in society certainly induce deviant behavior, such as egoism and suicide. This phenomenon, according to Durkheim, is the expected consequence of the substitution of mechanical solidarity for an organic solidarity that introduces division of labor and capitalism in mostly all modern societies.

In one of his other books (1951), Durkheim described two forms of anomie related specifically to the economy: *acute economic anomie* described as the periodic crises of traditional institutions (such as religion, guilds, pre-industrial social systems, etc.) that service several social needs; and *chronic economic anomie* identified by long term decrease on social regulation. Durkheim related the latter type of anomaly with the compulsory capitalistic ideology that diminishes traditional social values.

Weber

Weber believed that religious ideology can influence the economic social structure. The "spirit of capitalism" is best expressed by the encouragement of honesty and trustworthiness in an individual who pursues the accumulation of capital as an end in itself. More specifically, Weber described the profit motive as strictly utilitarian (1930).

Weber argued that the spirit of capitalism has a distinctive ethic that is connected to the doctrine of Protestantism and certain moral principles are

encouraged because they are convenient as a means to an end; this has led to the criticism of the capitalist ethic as hypocrisy. In this sense, the appearance of decent acts is more important than the actual decency, because it leads to the same result: the accumulation of credit and capital. And the appearance of frugal acts is more important than frugality itself: it leads to the appreciation of thriftiness. This may help to explain one illogical characteristic of the capitalist ethic: the desire to make money at any cost regardless of need of other members of the community.

On the other hand, Weber also noticed the unequal distribution of power due to economic interests and desire for wealth. He argued that the economy is a social phenomenon that results from the way communities arrange and distribute goods and services. Unfortunately, such distribution is always unequal and necessarily involves power. "Classes, status groups and parties are phenomena of the distribution of power within a community" (1968: 927).

Weber described power as the "chance of a man or a number of men to realize their own will in a social action even against the resistance of others who are participating in the action" (1968, p.926). Power may rest on a variety of bases, and can be of different types. For instance, economically conditioned power is not identical with "power" as such. On the contrary, the emergence of economic power may result from power existing on other grounds. "Man does not strive for power only to enrich himself economically" (1968: 926)

Contemporary research on Capitalism

Most current researchers on capitalism explain that for capitalist ideology to be established successfully in a culture:

"... it must engage people in competitive institutions, entice them with an ever-new panoply of desirable goods, and expose them to practices and ideologies that lead them to internalize values for self-interest,

competition, and economic advancement. When people adopt these attitudes and values, capitalism becomes further anchored within the culture, and increasingly determines the beliefs and concerns people embrace, reject, or ignore, and the institutions that they will support or oppose" (Kasser et al. 2007: 6).

The capitalist system is based on the exchange of products in a free market, where the ultimately goal is to generate profit. Under these economic conditions, the exercise of exchange generates potentially egoistic behaviors. Furthermore, when economic competition is unrestrained, as it is the case in a neoliberal capitalist system, individual self-centered economic interests lead to the disregard of moral and ethical considerations toward the needs of others (Sennett 1998). Consequently, in such an environment, people are prone to turn more egoistic and hence less capable of exercising generosity. For example, according to Twenge (2006) this is the case of the current American youth generation characterized by its individualism.

One useful way of understanding some of the consequences of capitalism is to examine the values and goals that it helps to maintain or discourage through its institutions and ideologies. Specifically, as Kasser et al. (2007, p.3) puts it:

"...capitalism fosters and encourages a set of values based in self-interest, a strong desire for financial success, high levels of consumption, and interpersonal styles based on competition".

Considerable evidence shows that when the values and goals necessary for the functioning of capitalism become increasingly crucial to individuals, the result is a corresponding conflict with some collective values such as: concern for the broader community and the world sympathetic relationships, etc. (Kasser et al. 2007).

These values are normally linked to social cohesion, and thus their conflicts with the goals of capitalism are important from a sociological

perspective.

By using cross-cultural analysis on how values are created and manifested, it is possible to identify the features most consistent with the capitalist ideology and then showing how these features may conflict with the formation of pro-social behavior.

Positive Aspects of Capitalism

To many people, especially economists, capitalism has many benefits. Among the most well-known proponents, defenders, and supporters of the 'virtues' of capitalism I can mention three people. A classical thinker, Adam Smith, often viewed as the father of modern economics. A modern academic, Milton Friedman, Nobel laureate, creator of a very influential economic line of thinking adopted not only by the United States under President Reagan government, but also in the United Kingdom with Prime Minister Margaret Thatcher. Finally, Ayn Rand, a writer and philosopher, who went beyond any expectation by claiming the "moral virtues" of the capitalism system.

Adam Smith

Adam Smith, in *The Theory of Moral Sentiments* (1759), offered a detailed framework of an ethical system he believed to be associated with traditional and Christian principles. He identified justice and benevolence as the central virtues arising naturally from people tendencies. However, he also noticed how social contexts affect moral sentiments. In particular, Smith observed with concern that the rise of 'commercial society' is likely to encourage individual egotism, and the peril of the pursuit for praise and prestige being appreciated more than ethical behavior. In addition, he stated that inequalities in income, which are very common in capitalistic societies, are likely to induce a 'corruption of moral sentiment', so that the rich are judged more favorably than the poor, regardless

of their behavior.

In other of his famous books *The Wealth of Nations* (1776), Adam Smith stated that individuals pursuing their own best self-interest would result in the utmost complete benefit to society, and that qualities and quantities of goods and services in the market should be determined by the free market alone (i.e., not by government). Smith also acknowledged the concept of externalities and other free market failures, but he did not consider them as a major problem to society.

Milton Friedman

Milton Friedman was an intellectual disciple of Adam Smith's line of thinking. He also claimed that "The world runs on individuals pursuing their self-interests". In his book *Capitalism and Freedom* (1962) he proclaims that free markets are a precondition for political freedom. For instance, he explains that freedom of expression is not possible when the means of production are under government control and individuals lack the economic means to sustain themselves and their points of view.

Additionally, Friedman (1970) also said when referring to the concept of the social responsibility of business: "There is one and only one social responsibility of business — to use its resources and engage in activities designed to increase its profits." Friedman did eventually go on to add, "so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud."

Ayn Rand

Another special defense of capitalism as a source of morality comes from the work of Ayn Rand (1964, 1966). She argues that the 'moral' justification of capitalism does not lie in the altruist claim that it represents the best way to achieve "the common good." It is true that capitalism does seek the common

good; however, this is merely a secondary consequence. The moral justification of capitalism lies in the fact that it is the only system consonant with man's rational nature, that it protects man's survival *qua* man, and that its ruling principle is: *justice* (Rand 1964).

In addition, she claims that capitalism is "the only moral and practical social system, the only system consistent with man's nature and the requirements of his life—the only system that enables each individual to reach his full, glorious potential" (Rand 1966). For instance, she states that in a capitalist society, all human relationships are *voluntary*. Men are free to cooperate or not, to deal with one another or not, as their own individual judgments, convictions, and interests dictate. They can deal with one another only in terms of and by means of reason, i.e., by means of discussion, persuasion, and *contractual* agreement, by voluntary choice to mutual benefit.

Rand (1964) has also claimed that throughout history, man has been offered the following alternative: be "moral" through a life of sacrifice to others—or be "selfish" through a life of sacrificing others to oneself. In fact she argues that holding a selfish, non-sacrificial way of life is possible and necessary for man.

Finally, Rand (1964) also gave an outline of her code of rational selfishness, and of her argument establishing it as the only objective, fact-based moral code in human history. In the course of this essay, she raised and answers a fundamental and fascinating question: Why does one even need a morality? She presents a radical opposition to the prevailing morality of altruism—i.e., to the duty to sacrifice for the sake of others. Finally she also said that the rational egoist chooses his goals and actions by means of reason—he acts on what is 'objectively' in his self-interest (Rand 1964).

a) *Capitalistic Values*

In general, a diverse array of people claim different outcomes as positive aspects derived from the implementation of capitalist system in any society. Among the many virtues or values that are attributed to capitalism are the following:

Social order: In the early days of capitalism, it was admired as a moderating effect on a chaotic society. This kind of capitalist ideology is described by Albert Hirschman (1977). The expression 'la douce commerce' dates from that time: commerce was contrasted with war. The causal value system is seldom clear, but logically it implies that balance and equilibrium are inherently good.

Capitalism then, brought into existence, a more solid order. In a capitalist system, explicit claims that the market produces the best 'ordering of society' are common. Capitalistic societies, and the market, are also justified by their ordering of individual preferences. Capitalism appeal to the superiority of 'emergent' or 'self-organizing' orders, as opposed to 'patterned' or 'designed' orders.

Moral expectations: One of the most important functions of capitalism is to create a consensus around certain moral expectations: i.e. that agreement is required, that honesty is expected in transactions, that economic actors are held accountable for broken promises. All of these ideas have positive social consequences far beyond the realm of economic life, as any observer of modern capitalist societies can see (Cowen 1998).

According to this line of thought, freedom of the individual should be the highest aim in society, and the definitive test of an individual's character is the capability to pursue his own elected goals in life without trespassing other

people's right to pursue their own goals. From this standpoint, a capitalistic ideology is said to increase noble qualities such as trust, honesty, and cooperation.

Meritocracy: Also, capitalism supporters claim that it has established a meritocracy and has generated opportunities for better opportunities for those who work hard and accumulate knowledge throughout education. Consequently, this same process encourages people to invest more time and resources in education. Likewise, businesses also invest in research and technology innovation to compete successfully in the marketplace (Young 1958).

Gender equality: Under capitalism, businesses that producing transacted goods and services encounter fierce competition around the world. As consequence of this competition the wide gap in many developing countries between the compensation paid to equally skilled male and female workers has been reduced. One reason for this is that competing businesses find that they cannot afford to indulge their pro-male prejudices. "Under pressure to reduce costs and operate more efficiently, they shift increasingly from more expensive male labor to cheaper female labor, thus increasing female wages and reducing male wages. They argue that capitalism has not produced wage equality yet, but it has certainly narrowed the gap" (Bhagwati 2007).

b) Other defenses of Capitalism

Capitalism, by stimulating economic exchanges, creates reliability and trust. This is because individuals should behave rightly in the present to ensure upcoming transactions. Therefore, capitalism encourages integrity and cooperative behavior through the possibilities of ongoing mutually beneficial exchange (Zupan 2011).

Modern economists, by identifying the challenges that capitalist ideology

signifies to some of our traditional values, explain that this does not mean that capitalism is an immoral way to organize an economy. The most typical mistake that critics of capitalism incur is not acknowledging that greed, the desire to private gain without regard on others, long precedes capitalism. For instance, Max Weber said that:

“greed exists and has existed among waiters, physicians, coachmen, artists, prostitutes, dishonest officials, soldiers, nobles, crusaders, gamblers, and beggars. One may say that it has been common to all sorts and conditions of men at all times and in all countries of the earth, wherever the objective possibility of it is or has been given” (Weber 1930: xxxi.)

Finally, supporters of capitalism claim that it cannot resolve every problem that society faces, however, it does a superior job solving economic problems in ways that are consistent with moral codes, justice, and even religious beliefs (Walberg and Bast 2003). They also say that criticism of capitalism on moral grounds often mistakenly holds its ideology responsible for what is properly the role of other institutions, such as families and churches.

Criticisms of Capitalism

Capitalism is good at meeting many of our wants but has “big blind spots when it comes to others,” such as “family relationships, a sense of community, and protecting the environment” (Schmookler 1993).

Among the most acute critics to capitalism I can mention Karl Marx, the classic philosopher, economists and sociologist, I also including two more contemporary critics on capitalism; David Harvey, demographer and social theorist, and Noam Chomsky, linguist and political critic.

Marx's critiques to capitalism

Karl Marx never proposed a theory of social morality or pro-social

behavior, per se. However, he briefly referred to the problem of lack of sympathy and egoism and in several of his writings (Marx 1859). In particular, he pointed out that causes of egoism could be attributed to the capitalist ideology that promotes the pursuit of self-interest and competition.

In his *Economic and Philosophical Manuscripts (1844)* for instance, Marx states about his conceptualization of the human nature. In this conception, human beings are not naturally competitive; rather, they are social creatures who cannot survive without cooperating with each other. Modern science confirms this view. Humans did not evolve as a collection of atomized individuals constantly at conflict with one another, but in social groups that depended on mutual support.

Following Marx, we may identify the motivation to egoist (non-generous) behavior in the social environment rather than inside the individual. The simplified logic of his theory is that ultimately egoistic behavior is caused by the capitalistic ideology that applies strong pressures on people toward self-interest and competition. Overall, it is possible to identify several intervening mechanisms that connect capitalist ideology to the occurrence of egoist behavior. Capitalism is based on the system of exchange of good and services, the goal of which is to generate profit. Under these economic conditions, “the possibility of exchange gives birth to greediness because everybody is encouraged to compete and must do so to survive” (Marx 1867: 62).

Furthermore, Marx suggests that when economic competition is unrestrained, as it is in a pure capitalist system, an egoistic climate and lack of sensitivity to the needs of others is almost inevitable; only individual selfish interests can guide the pursuit of profit, leading to the disregard of ethical concerns. Finally, in such an environment, “man has become very egoistic and de-moralized” (1867).

Thus, we can specify a dynamic connection between the capitalist ideology and egoistic behavior. In particular, Marx's description of capitalism emphasized three points that are of great significance in the causal chain of conditions eventually leading to egoistic behavior: 1) the capitalist ideology is characterized by unrestrained competition and self-interest, 2) how competition and self-interest create an egoistic climate that leads to the loss of moral feelings for other humans, and 3) how egoistic individuals are motivated toward non generous behavior.

In general, these features of capitalism are argued to cause less consideration and to lessen compassion for the feelings of others, with the extreme competition and uncontrolled making of profit producing the most egoistic tendencies. However, Marx also suggested that more favorable economic conditions were capable of reducing the degree of egoistic climate and eventually, "an evolution from egoism towards altruism" might take place (Bonger 1905).

David Harvey on Capitalism

Capitalism, according to Harvey (1982) is a zero-sum game; when one person wins, another loses; then inequality and injustice are rampant.

The conceptual explanation of 'accumulation by dispossession' lies in the idea that "appropriation can sometimes try to do without production" (Harvey 2006, p. 162). While the extended accumulation of capital requires the production and appropriation of surplus value, capitalists may seek to appropriate without investing in the production of surplus value through the exploitation of wage-labor. Harvey (1989) reveals, for example, that the de-regulation of labor rights and law facilitated capitalist expansion through the dispossession of worker's pay and benefits. For Harvey, this describes clearly the functioning of modern

capitalism.

On the other hand, the de-regulation of international trade and tariffs allowed capital investment to expand at an unprecedented global scale (Harvey 2005). His work shows that capitalist development is distributed unevenly as its mechanism unfolds, generating areas of poverty within formerly leading economies as well as in newly emerging ones. This process meanwhile was accompanied by ubiquitous de-regulation whereby new legal mechanisms were introduced to further facilitate the circulation and expansion of capital.

Harvey has published a convincing overview of these historical transformations which he called 'neoliberalism'. In this case neoliberalism is described as the political economic practices that propose that people wellbeing can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade. In this sense, the role of the state is to create and preserve an institutional framework appropriate for such practices. Furthermore, if market conditions do not exist, in areas such as land, water, education, or environmental pollution, then they must be created, by state action if necessary (Harvey 2005: 2).

Noam Chomsky on Capitalism

Chomsky is one of the leading critics of the ideology of the 'natural' free-market society, that common belief that is held as truism that the economy is competitive, rational, efficient, and create social justice. As Chomsky stated (1999), "markets are almost never competitive". Most of the economy is controlled by huge corporations that exercise direct control over their markets avoiding any competition, at least "of the sort described in economics textbooks and politicians' speeches".

Chomsky (2005) also explains that "predatory capitalism is not a fit system for the mid-twentieth century. It is incapable of meeting human needs that can be expressed only in collective terms, and its concept of competitive man who seeks only to maximize wealth and power, who subjects himself to market relationships, to exploitation and external authority, is antihuman and intolerable in the deepest sense" (Chomsky 2005).

Modern capitalism has developed a number of useful ideological 'principles'. For example, the driving force of modern capitalism has been the individual profit maximization, which has become accepted as legitimate, even praiseworthy, on the grounds that 'private vices yield public benefits' (Chomsky 1992).

According to Chomsky (1992), a "society that is based on this principle will destroy itself in time". He continues: "At this stage of history either one of two things is possible. Either the general population will take control of its own destiny and will concern itself with community interests, guided by values of solidarity, sympathy and concern for others, or alternatively there will be no destiny for anyone to control. But the conditions of survival, let alone justice, require rational social planning in the interests of the community as a whole, and by now that means the global community".

Likewise, Chomsky (1997) explains that the development of modern capitalism ideology was a "bad idea" for people, but not for the "designers and local elites associated with them". This capitalistic ideology continues up until now placing "profit over people". Likewise, according to Chomsky (1997), the World Bank also agreed and promotes this ideology, by offering the typical prescriptions for "expansion of private enterprises" and minimization of "social objectives," thus increasing inequality and poverty and reducing health and educational levels.

The economic consequences of neoliberal capitalism have been very similar in very different parts of the world, and exactly on the same issues: “a massive increase in social and economic inequality, a marked increase in severe deprivation for the poorest nations and peoples of the world, a disastrous global environment, an unstable global economy, and an unprecedented bonanza for the wealthy” (Chomsky 1997).

Other social concerns about capitalism

The expansion of capitalist ideology into many spheres of social life has not been a central concern among sociologists compared with other features of social change. Many social scientists have focused primarily on the idea of the market and its social consequences. It has triggered many studies that provide a range of critical perspectives on the recent trends to increasingly capitalist societies. It is surprising, then, that the classical approach to capitalist ideology and the social relations that it creates has not been a more central feature of recent sociology concerns.

A chronological perspective is also useful because it allows us to observe that economic systems are “living things” (Gray 1998). For example, free markets do not work exactly as the models designed by economists. We all know that markets have ups and downs, booms and crashes. It is only in economics textbooks that markets are self-regulating. In fact, according to Gray (1998) when markets are highly unstable, moral or ethical characteristics may drive people to very adverse results.

In other words, this kind of self-interest, profit maximizing behavior is not essentially compatible with traditional values that stress the value of caring for other people’s needs (Gray 1998). For instance, when competition is aggressive, which is the case under capitalist ideology, and when economic subsistence is at

stake, it is easy to infer that there will not be space for exercising moral considerations, such generosity. If you stop your business temporarily to attend your friend during your efforts to increase your profit, you will be probably be surpassed by those other competitors without such social or moral concerns.

Capitalist ideology fosters a society in which the pursuit of individual gain increasingly becomes the organizing principle for all areas of social life. Then, it is not simply a mechanism that can be used to achieve certain limited economic goals. In a capitalistic society all other principles of social organization become subordinated to the predominant principle of private gain (Currie 1991).

Capitalism, by creating rapid changes in technology, business organization, and social and economic status, sometimes it demoralizes institutions and people's values that would otherwise evolve in natural environment. Such 'creative destruction' is credited for the corrosion of universally shared social values, such as generosity. "One of the structural and inherent moral weaknesses of capitalism as a system is that the creativity, inventiveness, and questioning spirit that make it dynamic have a moral downside and impose a heavy human cost" wrote Michael Novak (1996).

Based upon empirical work concerning the organization of values and goals a number of researchers (Schwartz 1992, Kasser and Ryan 1993; Grouzet et al. 2005) introduced an outline for understanding how the institutions and ideologies of capitalism system, in fact, emphasize one set of aims and to de-emphasize another set. More clearly, they show that capitalism promotes and encourages an ideology based in self-interest, financial success achievement, consumerism, and interpersonal competition. The significance of such an emphasis is that capitalism ideology end up opposing, undermining, and displacing values for caring about the broader world, humanizing interpersonal relationships. Particularly, such aims are normally associated with social

cohesion, and ecological concerns (Deci and Ryan 2000, Kasser 2002).

Taking into account this context, we can easily imply that the relation between capitalism and morality do not work on the same direction. For instance, the personal characteristics most rewarded by capitalism are 'entrepreneurial boldness', the disposition to risk and speculate in order to increase economic profit, and the capability to generate new business opportunities. On the other hand, frugality, thrift, and the ability to constitute strong personal relationship that foster strong communities are not rewarded because they do not usually lead to success in a capitalism environment.

The Culture of Materialistic Values

Capitalism has stimulated the development of materialism as a culturally accepted ideology for achieving overall prosperity. As an avenue for the understanding potential and actual social problems resulting from capitalism, materialism has emerged as a topic of great interest among researchers across a variety of disciplines, including political scientists (e.g., Inglehart 1990), demographers (e.g., Easterlin and Crimmins 1991), social psychologists (e.g., Csikszentmihalyi and Rochberg-Halton 1981, Kasser and Ryan 1993), and consumer researchers (Belk 1985, Richins and Dawson 1992).

Many issues concerning materialism have been considered in the literature, including the impact on individual behaviors personality characteristics, and moral development (Belk 1985 and Fournier and Richins 1991). For instance, researchers have found that materialistic people are less satisfied with their lives (Richins and Dawson 1992) and have higher levels of depression (Kasser and Ryan 1993). Other researchers link materialism to greater levels of greediness and egoism and the decline of community values (Schudson 1991). Contrary to this, Schouten and McAlexander (1995), argue that consumers

use products as a basis for social cohesion and interaction in subcultures of consumption.

Materialistic ideology has been “institutionalized” around the world because it comes to individuals as an element of the contemporary way of living. As Robert Wuthnow (1995, p.3) points: “(Materialism) is built into the fabric of society itself, pressuring us to conform to it, shaping our lives by virtue of the sheer fact that we cannot escape living in society any more than we can escape eating and sleeping.”

It is not just a problem of choice because it is embedded in common social behaviors due to the work of advertising by large corporations, the education system, and government support (Kasser 2002). Despite the many examinations of materialism, it remains unclear how materialism relates to other aspects of peoples’ lives.

This study suggests that there must be some intervening mechanism connecting capitalism to wider consequences for society. One of these factors, I argue, is materialistic ideology that is alleged to distort individuals’ values and consequently leads to the deterioration of generous behavior.

Values, in general, can be understood as an important filter through which social environments translate into people’s behavior. Although, traces of materialistic values can be found across human history, it is only during the last century that it has become a key value to seek comfort by unlimited consumption (Belk 1984).

The development of a culture of materialism involves exposure to materialistic values. For instance, in their early years children are exposed to implicit and explicit messages reinforcing the importance in life of money and possessions, thus they internalize these types of values while growing to adulthood (Kasser 2002).

When a large portion of a society also eagerly desires to consume goods in order to achieve status approval and prestige, it is safe to argue that a "consumer culture" is taking hold (Belk 1985). If we accept the fact that most people now live in a culture of materialism, then it is crucial to investigate why and how this type of culture has been generated and the consequences it may have on individuals and society as a whole.

A culture of consumption is a necessary consequence of the capitalistic economic system because this system requires the production and purchase of ever-increasing amounts of goods. This explanation, as well as others offered from other disciplines clarifies certain aspects of the culture of consumption. Empirically, however, little attention is paid to the process through which values operate within and across interactions (Hitlin and Piliavin 2004).

Past research suggests that materialism and generosity are in conflict with each other (Schwartz 1996, Kasser 2002), as it is very difficult to simultaneously obtain a great deal of wealth and possessions while at the same time giving one's wealth away and not caring about money. For example, Belk (1984) included "non-generosity" as one of the three defining features of materialism.

Another important consideration is that social scientists need to observe the ways in which individual humans simultaneously create and are created by a culture. As recognized by many sociological and anthropological approaches (Barnard 2000), in order for some type of culture to emerge, it must be reinforced by individuals who follow the values and practices of that culture; at the same time, the individuals who support that aspect of culture are themselves shaped by the values that they have adopted. The general agreement is that values have a prominent role in one's internal evaluative hierarchy.

Thus, I argue that materialistic values vary with the degree of neo-liberal capitalism across countries and these values shape people's behavior. In this

sense, it is surprising that this phenomenon has received so little research attention, especially within the discipline of sociology, where variations of social behavior are one of its most relevant research topics.

In addition, one evident problem for individuals in the United States and other nations is how to handle the mixed messages and divergent pressures that arise in a society that simultaneously places extensive importance on material values and collective-oriented values such as cooperation, generosity and religious fulfillment (Schor 1998, Schudson 1991).

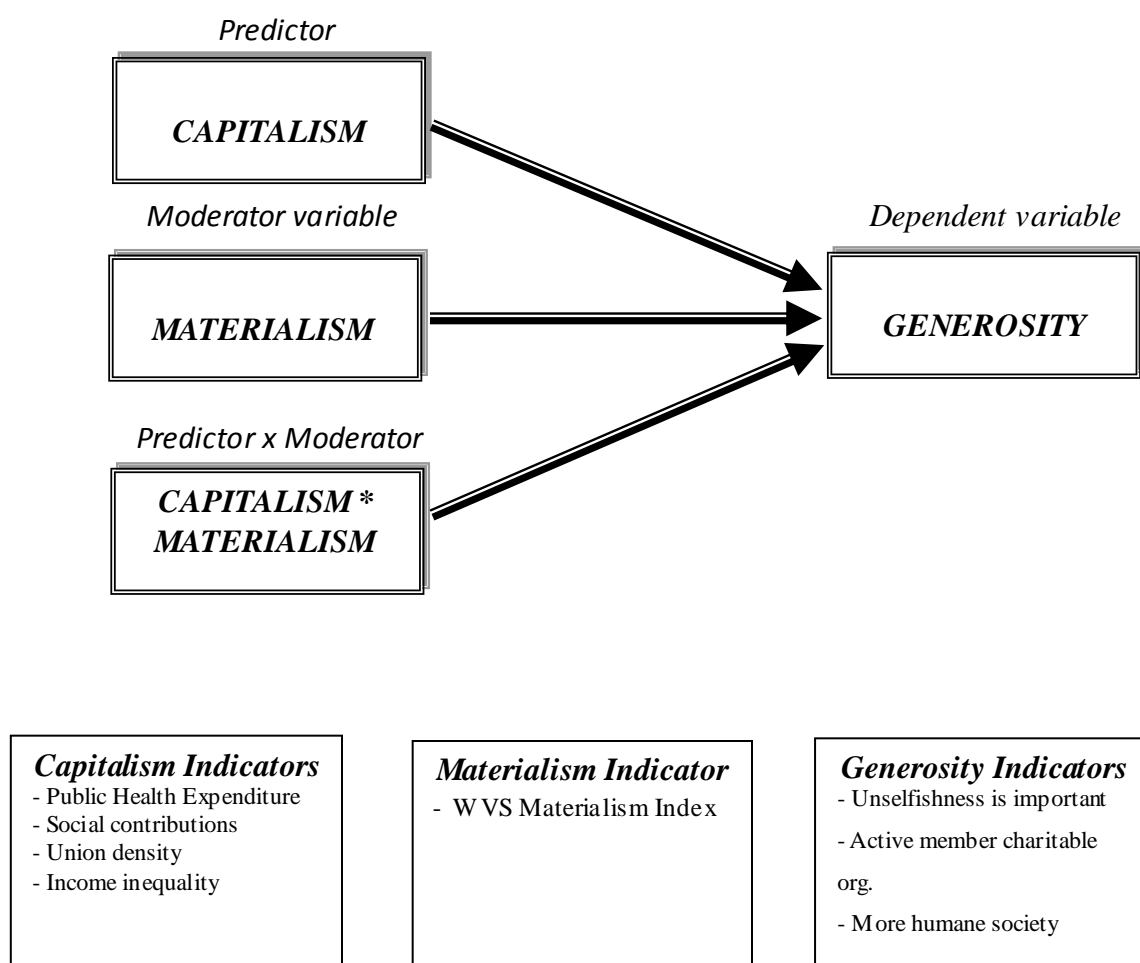
The prominence of these overlapping attitudes of materialism and generosity has been present across time and cultures all over the world. Because each attitude has important ramifications not only for people's economic activity, but also for their individual interpersonal relations and the connections to others, it is essential to measure and analyze these attitudes and be able to observe changes across countries.

Conclusion

The previous chapters have described the conceptual framework of this study while considering questions surrounding the hypothesis of individuals' values change. The following chapter describes the methodology used to answer these questions. Particularly of whether economic ideology and values features have influence on actual individuals' generous attitudes and behavior. It draws together the variables already depicted in combination with other intervening variables. Through cross-national comparison, I seek to establish whether these changes in values are consequences of a Post-materialist orientation or countries' particular economic ideologies.

Figure 3-2 summarizes these intervening variables and their interrelationships. This conceptual framework forms a starting point for testing and measurement in the next chapter.

Figure 3-2. Schematic relationships among variables



Control variables: Sex, Age, Marital Status, Religiosity, Income, Social Class, Education, Human Development Index, Urbanization degree, and Literacy rate.

CHAPTER 4

RESEARCH METHODOLOGY

Introduction

This chapter comprises three sections. The first part explains two important components of the statistical analysis: Cross-national approach and the World Values Survey (WVS). These two elements are crucial for the development of the empirical analysis; the former provides a perspective and the latter the instrument.

The second part explores more closely the conceptual basis for measuring Generosity, Capitalism, and Materialistic values. It also describes the empirical evidence for the impact of inter-personal and cross-national characteristics on the relationship among those variables.

And finally, the third part, discusses the variation on individuals' generosity attitudes in the context of the theories of modernization (values change) and economic ideology. It is envisaged that, if stronger associations tend to hold economic ideology and generosity, such relationship will favor the main hypothesis on this study.

Cross-national approach

A cross-national approach is important because it helps us to establish a generalization of findings and, to take into account cross-national differences and, most importantly, the verification of analyses resulting from interpretation of just single-case studies (Kohn 1987). Fortunately, nowadays researchers have accesses to most extensive international data availability and the tools of modern research that allow researchers to include a wide range of variables and also to control for many other peripheral variables.

Implicit in much of the cross-national research is the assumption that the

effects of economic characteristics are constant across all nations. This might be an unrealistic assumption, considering the levels of cultural and social diversity described by most of these studies. For instance, according to Inglehart and Baker (2000), cultural change occurring across countries does not guarantee an identical pattern among societies, and because capitalism and materialism are not mutually exclusive values (Singelis, Triandis, Bhawuk, and Gelfand 1995) this proposal seeks to identify how capitalism and materialism affect generous behavior in countries and cultures around the world.

Every individual is surrounded by different social and cultural environment such as family, school, neighborhood, etc. How individuals react to all these influences, or even which influence will be the most relevant, is not easy to predict. However, there should be, some similarities in how individuals respond to the same pattern of influences coming from the same culture.

This study is proposing a multilevel interactive model which can capture any moderating effects of countries' culture on the capitalism-generosity relationship. For example, some cross-national work has looked at the effect of context; this is the case of Evans and Rauch (1999) that argued that the effects of capitalism on societal values can be moderated by the structural characteristics of the nation. However, no consensus exists as to which specific contextual effects would be predominant or any theoretical arguments for the inclusion of alternative moderating effects. Therefore, there might be good reasons for the inclusion and analysis of other country-level cultures or ideologies as the moderating variables.

If social development is taken to be congruent with material or economic development, then materialistic ideology might be seen having an effect on social values. In addition, development need not be solely along the economic dimension. For instance, some have connected levels of human development to

solidarity and cooperation through a process of civilization (Elias 1978). Also, the civilizing process implies that individuals would rely less and less on self-interested forms of action for achieving goals, therefore increasing the likelihood of acts of cooperation and generosity. For these general reasons I expect to see higher levels of generosity in more “civilized” societies. However, the evidence is not entirely supportive of this argument. In a recent study by Lafree and Tseloni (2006), they used an index of democracy to indicate the level of civilization in society, but they found no support for the argument.

In short, regarding the analysis of individuals’ generosity across nations, I cannot overestimate the relevance of cultural context. Thus, I speculate that there might be other indicators of development which are more appropriate. Hence, this study examines materialism as a variable in the context of other intervening values.

First, I determine if materialism is related to other values the individual might hold. Second, since researchers have argued that the study of individual values should be undertaken in the context of the larger value systems that individuals hold (Schwartz 1992); I determine if the relationship between capitalism-materialism and generosity holds across cultures.

The World Values Survey

Cross-national studies of public values and attitudes have developed noticeably with their growing analytical capability. Quantitative methods have become more extensive among scholars than ever before, due to the greater than ever availability of new statistical data resources. Survey data have been accumulated into data archives across the world, allowing researchers to have accessibility to well-established cross-national data. One of the most relevant cross-national surveys is the World Values Survey.

The World Values Survey includes representative national surveys of the basic values, attitudes, and beliefs of people from 97 societies containing almost 90 percent of the world's population. The countries included in these surveys cover the full range from very poor countries to very rich ones, from authoritarian systems to liberal democracies and covering all major cultural zones. These surveys provide valuable information about a crucial component of social change: the values, beliefs and motivations of ordinary citizens.

The World values Survey constitutes a worldwide investigation of sociocultural and political change. It builds on the European Values Surveys that first took place in 1981. A second wave of surveys was designed for global use and completed in 1989-1993. A third wave took place around the period 1994-1998. A fourth wave was carried out around 1999-2004 and the fifth wave took place from 2005 to 2008. The World Values Survey enables scholars to compare popular attitudes across countries, which could go beyond the borders of different civilizations. There are numerous publications based on the World Values Survey.

Methodology of empirical research

Hypotheses

This research is framed by the main hypothesis that, depending on the degrees of capitalism across societies, individuals display different levels of generosity. Consequently, in order to establish a reasonable scenario for the measurement of capitalism's first characteristic across-countries I am going to elaborate a scale for capitalism where countries vary in the degree to which they practice capitalism ranging from purely neoliberal capitalism to purely welfare capitalism. However, it is expected that there are no nations with an economic

system at either extreme; rather, the majority of the countries might be somewhere in between.

In fact, thinking of capitalism and its indicators having an underlying continuous feature is quite common in contemporary economic and political science literature (see Esping-Andersen 1990; Hicks and Kenworthy 2003 and Jaeger 2006). For instance, it is common for nations to be considered as more or less “socialist,” “liberal” or “conservative” or for them to be arranged on a continuum from “neoliberal state” to “social democratic welfare state”.

My hypothesis implies that depending on the degree of capitalism among societies should be related to the levels of individuals’ generosity, with the most “neoliberal” capitalistic societies showing the lowest levels of generosity and the most “welfare” capitalistic societies showing higher levels of generosity.

In this study capitalism is conceptualized as a twofold entity. First, capitalism is considered an economic system designed to allocate efficiently the production and distribution of goods and services. Second, capitalism is also an ideology, emphasizing self-interest, competition, and profit-driven behavior. It is also argued that the impact of capitalism on generosity may not be manifested in a direct way, but through the materialistic ideology that is created by the interaction of the capitalistic ideology and individual’s adoption of materialistic values. Therefore a second hypothesis of this study is that materialistic ideology may serve as a moderating link between capitalism and generosity.

In addition, taking into account the process of ‘modernization’ it is also expected that post-materialistic societies should foster people’s pro-social behavior, hence fomenting generous behavior. Likewise, it is also acknowledged that capitalism, as economic system, is the vehicle that spread ‘modernization’ within each society. In this case it is also hypothesized that countries with higher levels of capitalistic rates are related to higher levels of post-materialistic values.

However, when capitalism is operationalized as an ideology it creates the opposite effect on modernization process. Capitalistic ideology is constructed using a statistical interaction between capitalism and individuals' materialistic values indexes. In this sense, higher levels of capitalism ideology would increase individuals' materialistic values.

Unit of Analysis and Sample

Values are a group-level phenomenon requiring shared agreement. Nevertheless, typically they are measured as an individual-level construct (Hitlin and Piliavin 2004). Because the variables involved in this study reflect individual and societal characteristics and one of the main goals is to contrast difference across cultures, the testing of the hypotheses will be more appropriate if conducted in two interrelated levels: the individual level for the analysis of generosity and the aggregate level for the degree of capitalism and materialism manifested in each country.

This study will analyze data for 66 countries from different regions of the world for which sufficient data exist to allow us to measure and analyze the variables of interest. The total sample size may be limited by data availability. Even so, the number of cases is similar to other cross-national research, and in fact even exceeds most of the existing work, where sample size ranges between 20 and 50 nations (see Inglehart 1997, LaFree and Tseloni 2006, Chuck and Tadesse 2006, Jonhson and Lenartowicz 1999).

After accounting for missing data on dependent variables, the sample used for analysis includes 99,175 individuals in 66 countries around the world. Because I am attempting to capture as many of the world's nations as possible, the main criterion that will be used to include a country in the sample is assessing if data for all variables of the analysis are available.

Evaluation of the data is showing that the sample is composed of 20 Central and Eastern countries, 9 Western European countries, 10 African countries, 12 American countries, and 15 Asian-Pacific countries. In terms of United Nations' Human Development Index (2010), 24 have a very high human development, 23 have a high development, 12 a medium development and 7 are classified as having a low human index development.

Since one essential goal of this study is to uncover cross-national differences, data will be gathered from the most updated and reliable international database sources. They include: the World Values Survey, World Bank, the United Nations, and the International Labor Organization.

Statistical Models

To examine and determine complex relations between dimensions of country-level features and levels of individual generosity, I fitted multilevel models, as these allow measurement of the extent to which country economic and cultural environments have an impact on generosity differentials across countries while adjusting for individual-level attributes.

Statistical Analysis

Multilevel Analysis

Basically, multilevel models are used to identify the effect of social context on individual-level outcomes. Multilevel modeling allows relationships to be simultaneously evaluated at several levels. In this study, since the main goal of the study is to understand how a societal characteristic (capitalism) influences what makes people behave generously, a multi-level design is adequate because performing an analysis at the individual level and not consider any higher level grouping in the population ignores the fact that, in general, environmental factors also affect outcomes at the individual level. The dependent variable

(generosity) is created based on questions that individuals responded on the World Values Survey. Therefore Hierarchical Linear Modeling (HLM) is the most appropriate method when there are nested data structures; in this case respondents are nested in countries.

Individuals in the same group are likely to be more similar than individuals in other groups. Due to this fact, when considering multilevel data, the variations in outcome may be due to differences between groups, and also to individual differences within a group.

Within these models, individual components are independent, but while group components are independent within groups, they are correlated within the groups. Consequently, in order to accommodate both random coefficients and higher order variables, a multilevel model is used (Raudenbush and Bryk 1992).

Multilevel analysis allows characteristics of different groups to be included in models of individual behavior. As the features of individuals are merged into the multilevel model, the hierarchical structure of the data is considered and correct estimates of standard errors are attained. Therefore, the examination of variation between levels is facilitated.

In this particular study, a multilevel analysis takes into consideration the effects of country level and individual level variables at the same time and it also account for the possible interactions across levels. Therefore, a multilevel model simultaneously performs analysis on both individual (level-1) and country level (level-2).

Basically the process of estimating the coefficients follows these steps: At the individual level, a separate OLS regression equation for each country will be estimated between the individual-level predictors and the dependent variable (generosity). This will produce intercept term and slope terms. Because there are

multiple countries, there is most likely between-country variance in these intercepts and slopes.

The intercepts and slopes from the individual-level model will be used as dependent variables in a subsequent country-level analysis (level-2). In the level-2 analysis, country level variables are used to predict the level-1 intercepts and slopes.

At the individual level (level-1), individual generosity is modeled as a function of the control variables at the individual level. However, it must be taken into account that countries vary along cultural, social and economic dimensions. Similarly, countries will also vary on the degree of individual-level predictors.

At level-2, the first analysis focuses on predicting the intercepts from the level-1 analysis. This “intercept as outcome” model represents the extent to which country characteristics predicts individual levels of generosity after controlling for individual predictor variables.

Measurement of Generosity

Dependent variable

Generosity, as an intrinsic personal value, is difficult to measure. Generosity is a multidimensional concept, because it comprises a variety of different aspects. Such a complex definition makes every attempt of empirical analysis difficult and somehow risky, mainly because there is not a single universal definition of generosity, and a unique comprehensive method of measurement. Likewise, generosity is also considered to be context dependent. Context is usually highly variable and then any conclusion is itself feeble as the basis for generalization to other circumstances.

Since generosity is a multidimensional concept, it does not make sense

accounting for just a single dimension, considering it as representative of the concept as a whole, analyzing its dependence on the economic environment, and labeling such effect as a generosity behavior. Differently from what to date has been done by most cross-national studies, this work has been very cautious in carrying out international comparisons not lying just on a single basic indicator.

The empirical analysis carried out in this thesis has focused on three indicators of generosity. Such a strategy fosters the robustness of analysis without causing a relevant loss of generality. Moreover, four types of analysis have also been included in order to provide assessments from different angles resulting in a solid set of conclusions.

Overall, this investigation contributes to the literature providing further evidence of the very multidimensionality of the concept of generosity and its different aspects that are correlated with various economic outcomes.

Although generosity is a complicated concept, information availability is improving about the extent people are participating in more visible forms of giving, such as giving money, some in-kind donations, and formal volunteering.

Generosity is a notion that is rooted in many people's belief systems, because generosity influences the decision individuals make and the actions they take. Depending on social and cultural contexts, generosity is likely to be manifested in different ways in different countries. Robert Putnam (2000) claims that different forms of generosity complement each other; they do not substitute for each other, meaning that people express their generosity in more than one way.

Generosity concerns the extent to which individuals share their money, possessions and personal resources and capabilities. Generous people are willing to give away or share their resources with people in need, and they make life

choices that help other people even if they diminish their own personal benefits. According to Kasser (2005, p.358) “generosity is clearly related to concepts such as altruism and pro-social behavior, which are more widely studied but concern behaviors beyond those that are financial and economic in nature. Although a couple of scales appear to have been developed to measure generosity, no one measure appears to be widely used.”

Because this study purports to explain the manifestation of individuals’ generous behavior across countries, this study will use the *World Values Official Aggregate Survey 1981-2008, a five-wave integrated data file*, to elaborate a measure of generosity.

This international survey allows accounting for the largest number of cases because it contains much more countries compared to the individual waves. This aggregated file includes data from 5 waves (1981, 1989, 1994, 1999 and 2000 in countries at very different levels of development.

Based on an evaluation of the complete survey I consider that the following questions may be relevant indicators of generosity. (See Table 4-1)

Table 4-1. Generosity Indicators extracted from the Integrated Questionnaire Values Survey 1981-2008

<i>Variable</i>	<i>Response Categories</i>	<i># of Countries and Respondents</i>	<i>Waves (Years)</i>
A007: <u>Service to others</u> is important in life	1 Very important 4 Not at all important.	39 55,353	2 waves (1999-2007)
A041: Do you consider that <u>unselfishness</u> to be especially important?	0 Not mentioned, 1 Important	87 252,238	5 waves (1981-2007)
A081: <u>Unpaid work social welfare service</u> for elderly, handicapped... deprived people	0 Not mentioned, 1 Belong	31 49,428	3 waves (1989-2007)
A105: Active/inactive membership to charitable /humanitarian organization	2 Active member, 1 Inactive member, 0 Not a member.	75 160,904	3 waves (1981-2007)
<i>Reasons for voluntary work:</i>			
A107: Solidarity with the poor	1 Unimportant 5 Very important	8 3,531	1 wave (1989-1993)
A108: Compassion for those in need	1 Unimportant 5 Very important	7 3,146	1 wave (1989-1993)
A110: Sense of duty, moral obligation	1 Unimportant 5 Very important	7 3,1641	1 wave (1989-1993)
A111: Identifying with people who suffer	1 Unimportant 5 Very important	7 3,106	1 wave (1989-1993)
A115: Help disadvantaged people	1 Unimportant 5 Very important	7 3,100	1 wave (1989-1993)
A116: Contribution to my community	1 Unimportant 5 Very important	7 3,151	1 wave (1989-1993)
E005: In your opinion, which one of these is most important?	1 A stable economy 2 <u>Progress toward a less impersonal and humane society</u> 3 Ideas count more than money 4 The fight against crime	84 227,561	4 waves (1989-2007)

Examination of the data in Table 4-1 (see Columns 3 and 4 above) indicates that the indicators of generosity showing the most country and year representation are: A041 (Unselfishness is very important child quality), A105 (Active member of charitable/humanitarian organization) and E005 (Progress to a less impersonal and more humanitarian society is important).

Since for cross national studies the number of countries is an important key of the analysis, I am keeping these three indicators as the baseline for my analysis.

First Approach

The first approach focuses on three dependent variables that are conceptualized as Social aspirations, Family expectations and Individual action toward generosity.

Generosity *aspirations* reflect desired outcomes that individuals hope to achieve in society. Generosity *expectations* take into account a parent perception of generosity notions that children can learn at home. Generosity *action* is a measure of actual behavior directed toward a charitable organization.

Therefore, the analysis focuses on three dichotomous indicators. Social aspiration is obtained from a question that asks: *Here is another list. In your opinion, which one of these is most important? (Progress toward a less impersonal and more humane society)*. This variable is coded 1 if the respondent indicates that they consider 'Progress toward a less impersonal and more humane society' to be an important aspiration for society, and coded 0 if they indicate any other option.

Parents' expectations indicator is obtained from the following question: *"Here is a list of qualities that children can be encouraged to learn at home. Which, if any, do you consider to be especially important? (Unselfishness)*. A binary indicator is constructed from responses to this question and coded 1 if the respondent

considers important that 'Unselfishness' must be encouraged at home, and coded 0 for all other responses.

Finally, individuals' action is obtained from the question: *Could you tell me whether you are a member, an active member, an inactive member or not a member of a charitable organization?* A binary variable is constructed and coded 1 if the respondent is an active member of a charitable organization and is coded 0 if respondent is an inactive member or not member at all. (See Table 4-1)

In this case, because the generosity outcomes are dichotomous, I estimate random intercept models using hierarchical generalized linear modeling techniques (Raudenbush and Bryk 2002). HGLM is similar to standard hierarchical linear modeling procedures used for continuous outcomes, but produces a nonlinear logit transformation of the predicted value thereby constraining it to lie in an interval of 0-1. HGLM allows for the simultaneous estimation of regression slopes and intercepts for both individual-level and country-level models.

Second Approach

In this second approach I use these three indicators as factor of the underlying concept of generosity. Although each of these three indicators reflects a feature of generosity, it must be admitted that each indicator alone may not be a strong measure. Nevertheless, if these indicators are shown to hang together as a meaningful entity, their combination should provide at least a basic measure of the generosity.

To ascertain whether the three indicators could be regarded as reflecting one underlying dimension, I used principal components factor analysis. Factor analysis of the three indicators of generosity confirms that they form one factor (with an eigenvalue of 1.06, which explains 35.34 percent of the variance) and

that all three indicators load at .58 or higher. In addition the three indicators show an alpha of 0.78. Hence, I feel confident in combining them into a composite score, which I believe reflects the overall degree of generosity within countries. Combination was accomplished by averaging the three items to form a generosity score.

Third Approach

In order to provide a more comprehensive examination of the relationship between capitalism and generosity and the moderating effect of materialism I also generate a country level indicator for each variable. To accomplish this I calculated the ratio using the dichotomous indicators and aggregating them to the national level.

In this case, since the aggregated variables are ratios, and because they perform a linear relationship between the main variables of interest, measured continuously, I employ a series of ordinary least-squares (OLS) regression models to predict the generosity rate, which is logged to reduce skew and heteroscedasticity.

After accounting for missing data on these three factors which form the dependent variable, the sample used for analysis includes 99,175 individuals in 66 countries of the world.

Control Variables: Individual-Level

Among the control variables, I contend the importance of controlling for the impact of demographic factors on generosity at the individual level, thus, I am including measures of gender, age and marital status. Because I am interested if a socioeconomic status affects generosity, social class and income are included in the analysis as well. Also, I am interested in the effects of levels of individual development. I operationalize the level of development with the

variable of formal education, which I believe captures, albeit in a rough way, the overall individual development. Finally, since being a religious person may influence the level of generosity, I also included an indicator of individuals' religiosity auto declaration.

All these data for these demographic factors are from the World Values Survey 1981-2008. Description of the demographic variables used:

- Sex dummy variable (male = 1, 0 otherwise)
- Age dummy variable (young=1, 0 adult)
- Marital status dummy variable (married = 1 , 0 otherwise)
- Higher education dummy variable (yes = 1, no =0)
- Social class dummy variable (upper =1, lower = 0)
- Income dummy variable (high = 1, low = 0)
- Religious person dummy variable (yes = 1, no = 0)

Control Variables: Country-level

Three country-level measures were included in the Level-2 equation to explain variation in the generosity levels across countries. These variables are: a) the degree of urbanization, b) adult literacy rates and c) Human Development Index. Other traditional control variables are dismissed to avoid overlapping with others already present at the individual level.

Measurement of Capitalism

Independent Variable

This study is trying to test a theoretical proposition on the relationship between capitalism and generosity, thus, a measure of capitalism will be constructed based on its distinctive characteristic and definitions elaborated in the literature.

Definitions of capitalism found in the literature range from Marx's original description of capitalism to various consequent definitions explained by economists and other social scientists. Later definitions have incorporated a range of characteristics, including the existence of markets, the extent to which production and process are controlled by the capitalists or their agents with the purpose of maximize their profit, and the degree to which buyers and sellers of products and services are open to promote their various interests exclusively in response to market conditions (Esping-Andersen 1990, Hicks and Kenworthy 2003, Kenworthy 2003). However, up until now there does not seem to be any agreement among scholars concerning the dimensions of capitalism that are most relevant in its measurement.

In order to obtain a reasonable measurement of capitalism it is convenient to think of any economy of a nation as tending toward one or the other of two ends of capitalism. At one extreme is the "neoliberal" capitalist system, which assumes that free market competition and deregulation produces the best allocation of resources, and consequently the greatest productivity and efficiency. At the other extreme is the "welfare" capitalism system, which assumes that the fairest allocation of resources is achieved through some government intervention and planning. In this sense, the welfare of the society, as a whole, is regarded as being more important than the rights or desires of any individuals.

In order to capture the essence this differences in capitalism across the world, I construct a composite scale of capitalism that includes the three most representative characteristics based on relevant definitions of capitalism: 1) the magnitude to which capitalism is based exclusively on a profit-drive motive; 2) the degree of unregulated trade in a country, and 3) the level of relative income inequality in a society.

To my knowledge, no direct cross-national measures of these dimensions of capitalism are available. However, by gathering certain economic indicators commonly used in academic research, it may be possible to develop an approximate measure of capitalism. This study tests the following country-level indicators:

- a) Public Health Expenditure
- b) Social Contributions
- c) Union density
- d) Income inequality

These first two indicators, public health expenses as a percent of total health expenditure and social contributions as a percent of government revenues, are both indicators of the variation of government social protection frequently found in previous research as measures of the degree of welfare capitalism (Esping-Andersen 1990, Hicks and Kenworthy 2003). Whereas, neoliberal ideology argues that government intervention on the economy should be minimal, state welfare policies reflect the degree of the government policies intervention that regulate economic activities, and raise social contributions and public expenditures to attend people's need. Consequently, the lower public health expenses and social security contributions are generally indicators of fewer governmental restrictions placed in a country which are signs of a greater degree of neoliberal capitalism.

The World Bank Development Indicators database contains data on social contribution for countries for various years. The same database will be also used to obtain information about public total health expenditures in countries in the sample. In both cases I averaged the values within years 1981 and 2008.

Another indicator of the degree of neoliberal capitalism is union density, which is commonly employed as a measure of corporatism (Esping-Andersen 1990, Kenworthy 2003, Siaroff 1999). According to previous research using this indicator, higher union concentration in organizations increase the workers' negotiating power, allowing them to improve policies on work regulations, wage rates, employment safety, etc. which are often unfavorable to the competitive features of the neoliberal capitalist system. Thus, higher union density implies a lower degree of neoliberal capitalism.

Data from the *International Labor Organization* regarding union density, calculated as a percentage of total paid employees who are labor union members, are available for countries in the sample. Similarly data were averaged for the time span closer to the 1981-2008.

Finally, because I suggest that unequal distribution of wealth is characteristics of neoliberal capitalism; its occurrence may determine the degree of neoliberal capitalism within a nation. To evaluate this condition, it will be used the Gini index of income inequality. The Gini index assesses the degree to which the distribution of income within a national economy departs from a perfectly equal distribution. The Gini index ranges between 0 and 1 and is based on residents' income, with 0 representing perfect equality and 1 representing perfect inequality. Therefore, higher scores on Gini index reflect greater degree of neoliberal capitalism.

The World Bank's World Development Indicators database contains the data on the Gini index of income inequality for countries around the world for the pertaining years.

To determine whether the indicators could be regarded as reflecting one underlying dimension of capitalism. I will employ principal components and factor analysis. If these indicators are shown to hold together as a meaningful

whole, their combination will provide a good approximate measure of the degree of capitalism based on the theoretical framework.

Factor analysis of the four indicators of capitalism confirms that they form one factor (with an eigenvalue of 2.10, which explains 52.6 percent of the variance) and that all four indicators load at .7 or higher (see Appendix Part A). In addition the four indicators show an alpha of 0.7. Hence, I feel certain in combining them into a composite score, which I believe reflects the overall degree of capitalism across countries. Combination was accomplished by averaging the three items to form a capitalism score.

Measurement of Materialistic Values

Moderating Variable

One essential hypothesis implied by this study is that capitalism does not directly affect generosity, but does so by interacting with materialistic values. This study suggests that egotism reflects the degree to which individuals in each particular country embrace materialistic values, desire material accumulation and disregard other people's need.

Materialistic values have become something of a social obsession, a peculiar habit that involves and have touched even individuals at lower levels of income. Unfortunately, our society measures individuals' value according to their consumption. The more people consume the more attention they obtain.

Direct indicators of materialistic values are not available. However, Inglehart (1990) using information from the World Values Survey's (WVS) has created a Materialism/Post-materialism index which describes the extent an individual places more emphasis on material goods as opposed to post-material goods. Materialism in this study is defined as the individuals' concern for

economic and personal security as measured by economic growth, income, job security, etc.

This index is created on the basis of a number of attitudinal questions. Relevant questions take into account values such as the rearing of children, job-related values and concerns, priorities for one's own country, assessment of democratic institutions, environmental concerns, etc. The index was constructed on the basis of individual answers to the above questions, confirmatory factor analysis and scores were elaborated at the individual level and then aggregated at the country level. This index provides a rich comparative source of information on values and attitudes around the world (Inglehart 1997).

It is important to clarify that the Materialism index ranges from 1 to 6, where 1 represents the most materialist level and 6 the most post-materialistic level. However, in my analysis and in order to make any interpretation more coherent with my hypothesis I am reversing the scale to show that moving from 1 to 6 represent a transition toward materialistic values.

This variable is obtained from the World Values Survey Five Wave Aggregated File 1981-2008.

Figure 4-1 describes the elements that are taken into account when constructing the Materialistic and Post-Materialistic Index.

Figure 4-1. Materialistic and Post-Materialistic Index

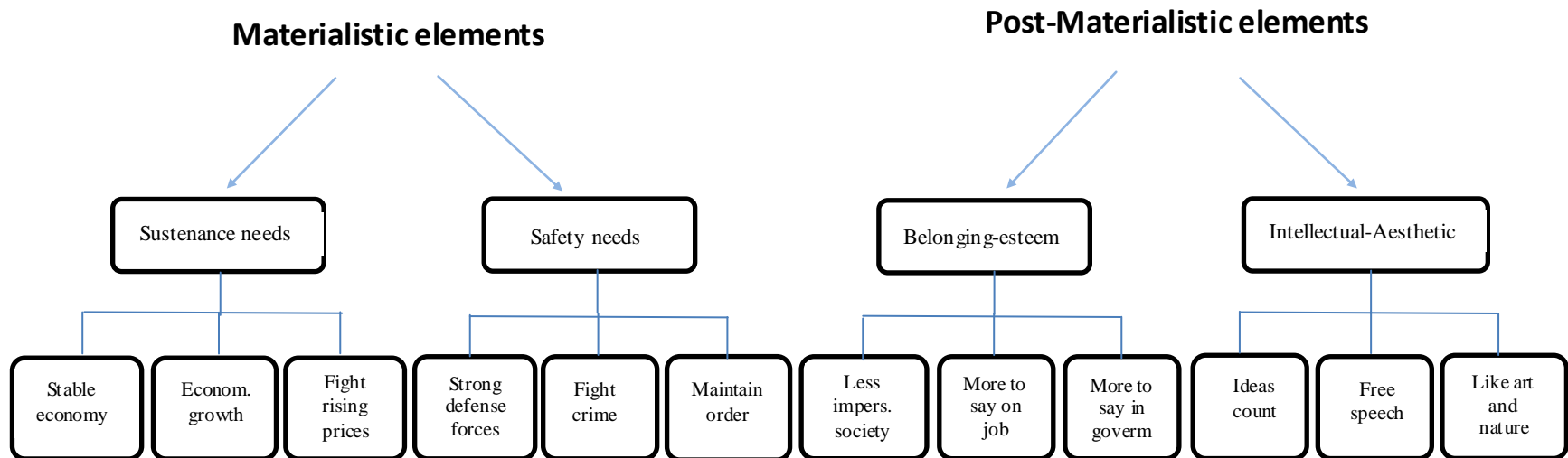


Table 4-2. Summary Statistics for all Variables included in the analysis

Variables	Mean	S.D.	Range
<i>Individual-level variables</i>			
Social aspirations	.164	.370	0 - 1
Family expectations	.299	.458	0 - 1
Individual action	.074	.261	0 - 1
Generosity score	.179	.220	0 - 1
Materialism Index	4.05	1.20	1 - 6
Religious person	.707	.454	0 - 1
Formal Education	.950	.218	0 - 1
Income	.336	.472	0 - 1
Social class	.203	.402	0 - 1
Gender	.485	.499	0 - 1
Age	.610	.487	0 - 1
Marital status	.646	.478	0 - 1
<i>Country-level variables</i>			
Capitalism index	19.11	14.70	-1.74 - 81.23
Urbanization degree	59.08	20.27	8.99 - 93.39
Literacy rate	86.90	18.84	17.95 - 100
Generosity ratio	.082	.049	.01 - .20
Materialism ratio	2.96	2.21	.45 - 17.41

Note: N= 99,175 individuals and 66 countries

Table 4-3. Number of respondents by Country

Country	Freq.	Country	Freq.	Country	Freq.
Albania	902	Georgia	3,155	Romania	2,371
Andorra	921	Germany	3,061	Russian	1,624
Argentina	825	Ghana	1,333	Rwanda	1,285
Armenia	1,616	India	2,467	Serbia	738
Australia	2,804	Indonesia	1,421	Serbia & Mont.	1,203
Azerbaijan	1,591	Iran	2,359	Slovakia	845
Bangladesh	1,262	Italy	594	Slovenia	769
Belarus	1,485	Japan	690	South Africa	4,742
Bosnia and Her	978	Latvia	1,029	South Korea	1,182
Brazil	2,434	Lithuania	773	Spain	1,792
Bulgaria	1,418	Macedonia	479	Sweden	1,566
Burkina Faso	958	Malaysia	1,169	Switzerland	1,765
Canada	1,661	Mali	711	Taiwan	1,824
Chile	1,742	Mexico	1,742	Thailand	1,405
China	1,116	Moldova	1,847	Trinidad & Tob.	943
Cyprus	992	Morocco	1,049	Turkey	2,444
Czech Republic	815	New Zealand	1,113	Ukraine	2,636
Dominican Rep.	300	Nigeria	1,510	United States	2,330
Egypt	3,026	Norway	1,811	Uruguay	1,628
Estonia	905	Peru	2,089	Venezuela	1,063
Ethiopia	1,171	Poland	774	Vietnam	1,384
Finland	1,575	Puerto Rico	983	Zambia	980

Table 4-4. Coefficients for Hierarchical Linear Models Regressing Generosity Indicators on Individual and Country level Variables.

Variables	Social Aspirations		Family Expectations		Individual Action	
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Capitalism	.007* (.004)	.008+ (.004)	-.004 (.005)	-.002 (.006)	-.025* (.010)	-.023* (.012)
Materialism	-.994** (.010)	-.994** (.010)	-.080** (.006)	-.080** (.006)	-.148** (.011)	-.147** (.011)
<i>Indiv-level Variables</i>						
Religious person	.011 (.023)	.011* (.023)	-.123** (.017)	-.124** (.017)	.511** (.033)	.510** (.033)
Male	-.154** (.019)	-.154** (.019)	-.097** (.014)	-.097** (.014)	-.122** (.025)	-.122** (.025)
Young	.006 (.021)	.006 (.021)	.033* (.016)	.033* (.016)	-.379** (.027)	-.380** (.027)
Formal Educ.	-.256** (.051)	-.257** (.051)	-.036 (.035)	-.034 (.035)	.511** (.074)	.515** (.074)
Upper class	.021 (.025)	.021 (.025)	.002 (.019)	.002 (.019)	.415** (.030)	.415** (.030)
High income	-.023 (.022)	-.023 (.022)	.009 (.017)	.009 (.017)	.166** (.029)	.166** (.029)
Married	-.035* (.020)	-.035* (.020)	-.036* (.015)	-.036* (.015)	.058* (.027)	-.058* (.027)
<i>Country-level Variables</i>						
UNHDI		-.804 (.653)		.436 (.892)		1.56 (1.64)
Urbanization		.007* (.004)		.004 (.005)		.006 (.009)
Literacy rates		.000 (.004)		-.010+ (.006)		-.023* (.011)
Intercept	2.14** (.113)	2.25** (.274)	-.328* (.135)	-.013 (.366)	-2.79** (.252)	-2.28** (.671)

+p < .10, *p < .05, **p < .01

Notes: N= 99,175 individuals and 66 countries, s.d in parenthesis

Table 4-5. Coefficients for Hierarchical Linear Models Regressing Generosity Index on Capitalism, Materialism and Economic Ideology.

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
<i>Intercept</i>	.180**	.201**	.200**	.187**	.192**	.420**	.395**
Religious person		-.004**	-.007**	-.003+	-.003+	.002	.002
Male		-.015**	-.015**	-.015**	-.015**	-.014**	-.014**
Young		.001	-.001	.002	.002	-.007**	-.007**
Formal Educ.		-.016**	-.011**	.004	.004	.001	-.001
Upper class		.023**	.023**	.016**	.016**	.013**	.013**
High income		.013**	.014**	.009**	.009**	.004*	.004*
Married		-.010**	-.010**	-.007**	-.007**	-.002*	-.002*
Materialism						-.048**	-.042**
Capitalism			-.007**	-.000	-.000	-.0003	.001*
Urbanization					.001**	.0006*	.006*
Literacy rates					.112**	-.001*	-.001*
Human Dev. Index					.108	.033	.028
Capit *Mat							-.0003**

+p < .10, *p < .05, **p < .01

Note: N= 66 countries and 99,175 individuals.

Table 4-6. Coefficients for OLS Regression of Country level ratios on Generosity

	Model 1			Model 2			Model 3			Model 4		
Variables	<i>b</i>	(<i>sd</i>)	β	<i>b</i>	(<i>sd</i>)	β	<i>b</i>	(<i>sd</i>)	β	<i>b</i>	(<i>sd</i>)	β
Capitalism	-.003**	(.000)	-.067	-.004**	(.000)	-.103	.0001	(.000)	.002	-.006**	(.000)	-.144
Materialism				-.189**	(.000)	-.628	-.158**	(.001)	-.525	-.151**	(.001)	-.504
Capital*Material							-.002**	(.000)	-.154	-.000	(.000)	.003
UNHDI										.975**	(.020)	.219
Urbanization										.007**	(.000)	.216
Literacy rate										-.009**	(.000)	-.276
<i>Adjusted R2</i>	.004			.39			.40			.45		

+p < .10, *p < .05, **p < .01

Note: N = 66 countries

Results

First Analysis: Generosity Indicators

In this first analysis, the three generosity indicators are treated independently. Each of the indicators is the reflection of a specific area of the individuals' perception in three different areas, namely: social aspirations, family expectation and individual action.

The goal of this approach is to examine which of the three areas of generosity is more impacted by the social environment created by the variation of capitalism across countries.

Table 4-4 indicates the results obtained from a set of random intercept models using hierarchical generalized linear modeling techniques (Raudenbush and Bryk 2002). HGLM is similar to standard hierarchical linear modeling procedures used for continuous outcomes, but produces a nonlinear logit transformation of the predicted value thereby constraining it to lie in an interval of 0-1.

The first column named Social Aspirations shows two models. Model 1 and 2 display the results for the impact of capitalism and materialism on individuals' social aspirations.

Model 1 shows that capitalism is positively associated with individuals' social aspirations toward a more humane society. On the other hand, materialism is inversely associated with this type of social aspirations. Also in model 1, individuals' social aspirations also vary significantly by all individual-level control variables, except for income. In this case, being a religious person, male, having formal education and being married are negatively correlated with these social aspirations. On the other hand, being young, and from the upper-class correlates positively with this area of generosity. Having higher income is of no

significance in this model.

In Model 2, national-level variables, such as United Nations Human Development Index (UNHDI), degree of urbanization and literacy rates are included in order to observe their effects on individuals' social aspirations. These country-level variables impact mainly the capitalism coefficient turning it to be no significant. Materialism and the rest of coefficients practically remain the same.

To summarize, the analysis of social aspirations presented in Table 4-4 suggests that capitalism turns to be statistical no significant when country-level variables are included as controls, whereas materialism values negatively impacts on this particular indicator of generosity. Regarding the country level variables, UNHDI and Literacy rates turns out to be non-significant, whereas, urbanization degree is positively associated with generosity.

Models 3 and 4 in Table 4-4 present the multilevel analyses for the second indicator of generosity: family expectations. The majority of the findings observed in the previous analysis (social aspirations) also hold for family expectations.

In model 3, it can be observed however, that capitalism is negatively correlated with this generosity indicator, albeit not significantly. On the other hand, materialistic values display a similar trend for family expectations. It is negatively correlated to this generosity indicator. Regarding individual-level variables, similar results for social aspirations also hold for family expectations.

In Model 4, the impacts of country-level do not alter the behavior of the two main explanatory variables. That is, capitalism is still negative and no significant, whereas materialism affects family expectations in a significantly and negatively way as well.

Models 5 and 6 in Table 4-4 present the analyses the third generosity

indicator: individual action toward generosity. This third indicator for generosity shows whether an individual is an active member of a charitable organization.

Compared to the findings from the previous two generosity indicators, in Model 5, this time, capitalism is significantly and negatively correlated to this generosity indicator. Materialism is also negatively correlated to generosity. Individual-level variables show a quite different pattern of results. For instance, being a religious person is positively correlated to individual action toward generosity. The same is true with having a formal education and being married. These two variables now relate positively to generosity, changing their previous outcome from negative to positive compared to previous models. On the other hand, being young now is negatively correlated to generosity compared to being an adult. The inclusion of country-level variables in Model 6 does not drastically alter the previous results.

Finally, the effect of capitalism and materialism on these indicators are negatively related to generosity, except for the social aspirations indicator, where capitalism appears have a positive impact on social aspirations.

Second Analysis: Generosity Index

Hierarchical linear models were constructed to predict the levels of generosity associated to the levels of individual materialistic values and capitalism across countries. Both individual-level predictors of generosity and country-level variables are included as controls.

Table 4-5 shows the coefficient estimates obtained from a set of hierarchical linear models.

Model 1 is the starting point. This model shows a varying intercept model with only the generosity index included. The model can be written as:

$$\begin{aligned} \text{Generosity}_{ij} &= \beta_{0j} + \varepsilon_{ij} \\ \beta_{0j} &= \gamma_{00} + \zeta_{0j} \end{aligned}$$

Where, β_{0j} represents the mean evaluation of generosity in a country, whereas γ_{00} is the mean across all individuals and countries. That is the grand mean. The level-1 error (ε_{ij}) represents the individual deviation from the mean in the country in which he or she lives. The level-2 error (ζ_{0j}) shows how the mean in a specific country deviates from the grand mean.

The intercept coefficient, which is the grand mean, for generosity is estimated at 0.180, when no other predictors of generosity were adjusted for. The standard error is .007. The grand mean is significant and different from zero, meaning that there must be other variables that may influence generosity levels beside each country particularities.

The overall contribution of country-level effects to variance in generosity was also low, but statistically significant, explaining only 5.70 percent of the total variance in generosity.

Intra-class Correlation

The intra-class correlation (ICC) is calculated using the formula:

$$p = T_{00} / T_{00} + \delta^2$$

Then, the ICC is estimated as 0.21. This means that around 21 percent of the variance in generosity is due to differences across countries, with the remaining 79 percent attributable to individual differences.

Model 2 includes individual-level controls. All lower level explanatory variables are fixed. This model assesses the contribution of each individual explanatory variable.

The mixed model to be estimated is:

$$Generosity_{ij} = \gamma_{00} + \gamma_{10} religious_{ij} + \gamma_{20} male_{ij} + \gamma_{30} young_{ij} + \gamma_{40} educ_{ij} + \gamma_{50} class_{ij} + \gamma_{60} income_{ij} + \gamma_{70} married_{ij} + \gamma_{80} materialism_{ij} + \zeta_{0j} + \epsilon_{ij}$$

All included level-1 variables were significant, except for Age (Young). In this case, claiming to be a religious person (-.004), male (-.015), having formal education (-.016) and being married (-.010) affect negatively, albeit weakly, individuals' generosity. Whereas, being young (.001), not significant, upper class (.023) and with high income (.013) have a positive inclination toward generosity at the individual level. Based on this analysis in this model I found that at the individual level the variables chosen are not strongly related to the generosity index. Nevertheless, a central contention of this study is that for generosity, national variations of capitalism and other intervening variables matter considerably.

Model 3 estimates the effect of capitalism on generosity at the individual level, with no variation across countries is taken into account.

The bivariate coefficient demonstrates the relationship between capitalism and generosity. As it was predicted, capitalism is related significantly, albeit weakly, to generosity (-.007) in the direction he stipulated; that is, the higher the level of capitalism in a society, the lower the generosity index. The rest of coefficients remain, with very little variation, almost the same as in the previous model.

Model 4, allow this relationship to vary across countries, then capitalism becomes almost zero and not significant, suggesting that capitalism, as larger conceptualization across countries, does not have any impact on how individuals exercise generosity at the individual level. In addition, variables Age and Education also became non-significant as well.

Because capitalism may be linked with other variables that affect

generosity, Model 5 includes, in addition to capitalism, all country-level variables. This model also allows for variation across countries. Although several of those control variables can be associated independently, themselves, with variation on generosity rates, their inclusion does not change the association of capitalism with generosity significantly. Thus, even with these possible predictors of generosity controlled, an increase in capitalism is still associated, not significantly, with decrease on generosity. Therefore, even though the capitalism index does not stand out as the strongest predictor of generosity across nations, this result does provide support for the proposition that capitalism diminishes generosity at the individual level.

$$\begin{aligned} \text{Generosity}_{ij} = & \gamma_{00} + \gamma_{01}\text{capitalism}_j + \gamma_{02}\text{urbanization}_j + \gamma_{03}\text{literacy}_j + \gamma_{04}\text{hdi}_j + \gamma_{10} \\ & \text{religious}_{ij} + \gamma_{20}\text{male}_{ij} + \gamma_{30}\text{young}_{ij} + \gamma_{40}\text{educ}_{ij} + \gamma_{50}\text{class}_{ij} + \gamma_{60}\text{income}_{ij} + \\ & \gamma_{70}\text{married}_{ij} + \gamma_{80}\text{materialism}_{ij} + \zeta_{0j} + \varepsilon_{ij} \end{aligned}$$

Why and how does Capitalism impact Generosity?

Having established that capitalism is associated with generosity, it is important to turn to the explanation for why capitalism might lead to decreased generosity index. Recall that the second hypothesis states that capitalism interacts with materialistic values, creating an atmosphere conducive to egoistic behavior in society.

Model 6 of table 4-5 shows the coefficient for the measure of materialism, which it is claimed to produce a moderator effect when included in the equation with the index of capitalism and the control variables. Consistent with the theoretical prediction, the coefficient for materialistic values on generosity (-.048) is significant and in the expected direction: the greater the materialism, the lower the generosity index. Moreover, this is true net of the effects of all other variables included in the equation. Interestingly, the inclusion of materialism index turns

religion coefficient to be not significant.

Still, the addition of the materialistic measure does not reduce the capitalism or change the significance or direction of the coefficient. This finding is contrary to what would have been expected if the expected moderator direct effect were correct. If materialism moderates the capitalism-generosity relationship, controlling materialism should reduce or change the capitalism-generosity relationship. Hence, it seems that the results, hitherto, do not support the hypothesis specifying materialism as the moderating link between capitalism and generosity.

However, making allowance for an extension on the moderator argument, I consider the initial argument about the notion of 'economic ideology' elaborated as the interaction of capitalism with materialism that work together in the diminishing of generosity. To explore this possibility, I introduce a multiplicative interaction term (capitalism \times materialism) into the predictive equation for generosity.

The new variable (economic ideology) included in Model 7 is statistically significant. The inclusion of this interaction in the model does change the pattern of substantive findings already reported. First, capitalism turns to be significant, and also the direction of the coefficient change to be positive and statistically significant (.001). These effects show the moderating effect of the last variable included. A moderator effect within a correlational framework may also be said to occur where the direction of the correlation changes and the interaction included is statistically significant (Baron and Kenny 1986).

Thus, the analysis shows empirical evidence that the effect of capitalism on generosity is moderated by, or conditional on, the interaction level of individual materialistic values, represented by the variable named 'economic

ideology'. Both capitalism and materialism seem to be significant—but independent—predictors of the diminishing of generosity.

Third Analysis: National Ratios

Table 4-6 shows the results of the analysis using national ratios as variables of study. This analysis is based on four models. Model 1 is the bivariate coefficient that shows the relationship between only capitalism index and generosity rates. As it was expected, capitalism is related significantly to generosity rates (-.003) and also in the direction indicated; that is, the higher the level of capitalism in a society, the lower the generosity rate.

Having established that capitalism is associated with generosity rates, it is important to turn to examine why capitalism might lead to decreased generosity rates. Recall that a second premise of this study is that capitalism creates a materialistic ideology conducive to egoistic atmosphere. Model 2 of table 4-5 shows the coefficient for our measure of materialism, when it is included in the equation with the index of capitalism. First, taking materialism into account does increase appreciably the explanatory power of the model. And second, consistent with the second premise, the coefficient for materialism on generosity rates (-.189) is significant and in the expected direction: the greater the materialism ratio in a country, the lower the generosity rates.

In addition, standardized regression coefficients from model 2 show materialism ratio to have the largest standardized regression coefficient in the model. However, the capitalism coefficient remains significant and even increases in size when the level of materialism is taken into consideration. These results are contrary to what would have been expected in the second premise. If materialism rates moderates the capitalism/generosity relationship, controlling materialism should change the direction, reduce or eliminate the

capitalism/generosity relationship. It does not. Hence, it seems that the results do not support the hypothesis specifying materialism as the intervening link between capitalism and generosity.

However, similarly to the previous analysis, I made allowance for a further interpretation on the actual meaning of materialistic ideology, it is considered the possibility that materialism might at least interact with capitalism in the diminishing of generosity. Similarly, as in the case of the second analysis, to explore that possibility, a multiplicative interaction term (capitalism * materialism) is introduced into the predictive equation for generosity. In model 3, the coefficient for this interaction (-.002) is statistically significant, and its inclusion in the model does change the pattern of capitalism index from negative to positive and from statistically significant to no significant. Thus, this model analysis shows empirical evidence that the effect of capitalism on generosity rates is moderated by, or conditional on, the level of materialism. Therefore, both capitalism and materialism seem to be significant and interacting predictors of levels of generosity within a country.

However, because capitalism may be linked with other variables that affect generosity rates, I examined in model 4, three national level variables, also included as control variables in previous models. Although, it can be argued that these three control variables (Human development index, degrees of Urbanization and Literacy rates) are associated independently, themselves, with generosity, their inclusion does not reduce the association of capitalism with generosity below significance. Thus, even with these well-established predictors of generosity rates controlled, an increase in capitalism is still associated with a substantial decrease in the generosity rate.

In conclusion, even though the capitalism index does not stand out as the strongest predictor of generosity rates across nations, nevertheless, these results

do provide empirical support for the hypothesis that ‘economic ideology’ variable moderates the relationship between capitalism and generosity within countries.

Table 4-7. Generosity ratios for Countries in the Study

Country	Ratio	Country	Ratio	Country	Ratio
Albania	.01	Georgia	.03	Romania	.05
Andorra	.15	Germany	.04	Russian	.03
Argentina	.08	Ghana	.05	Rwanda	.17
Armenia	.05	India	.09	Serbia	.03
Australia	.2	Indonesia	.11	Serbia and	.04
Azerbaijan	.03	Iran	.1	Slovakia	.03
Bangladesh	.01	Italy	.18	Slovenia	.11
Belarus	.03	Japan	.18	South Africa	.04
Bosnia and Her	.07	Latvia	.05	South Korea	.04
Brazil	.12	Lithuania	.02	Spain	.09
Bulgaria	.04	Macedonia	.06	Sweden	.12
Burkina Faso	.12	Malaysia	.08	Switzerland	.15
Canada	.19	Mali	.13	Taiwan	.06
Chile	.13	Mexico	.12	Thailand	.07
China	.05	Moldova	.03	Trinidad and	.06
Cyprus	.12	Morocco	.07	Turkey	.07
Czech Republic	.03	New Zealand	.15	Ukraine	.03
Dominican	.07	Nigeria	.04	United States	.16
Egypt	.06	Norway	.11	Uruguay	.06
Estonia	.04	Peru	.11	Venezuela	.11
Ethiopia	.07	Poland	.03	Vietnam	.07
Finland	.11	Puerto Rico	.17	Zambia	.07

Table 4-8. Capitalism Index for Countries in the Study

Country	Index	Country	Index	Country	Index
Albania	11.33	Georgia	19.9	Romania	27.93
Andorra	25.12	Germany	34.45	Russian	28.11
Argentina	13.73	Ghana	8.32	Rwanda	2.22
Armenia	14.65	India	4.72	Serbia	21.8
Australia	22.46	Indonesia	12.4	Serbia and	12.13
Azerbaijan	5.13	Iran	9.23	Slovakia	34.63
Bangladesh	8.11	Italy	44.27	Slovenia	31.87
Belarus	23.7	Japan	40.34	South Africa	7.33
Bosnia and Her	17.96	Latvia	19.13	South Korea	14.41
Brazil	11.68	Lithuania	21.32	Spain	26.05
Bulgaria	24.55	Macedonia	19.13	Sweden	47.09
Burkina Faso	8.99	Malaysia	9.12	Switzerland	22.92
Canada	23.51	Mali	8.64	Taiwan	21.69
Chile	2.54	Mexico	6.38	Thailand	6.74
China	29.34	Moldova	31.9	Trinidad and	7.53
Cyprus	24.38	Morocco	2.15	Turkey	28.05
Czech Republic	30.24	New Zealand	16.61	Ukraine	25.83
Dominican	-1.74	Nigeria	4.26	United States	14.34
Egypt	15.75	Norway	35.52	Uruguay	12.07
Estonia	22.27	Peru	5.48	Venezuela	1.99
Ethiopia	8.21	Poland	20.53	Vietnam	8.53
Finland	45.71	Puerto Rico	9.96	Zambia	4.23

Table 4-9. Materialism Ratios for Countries in the Study

Country	Ratio	Country	Ratio	Country	Ratio
Albania	17.41	Georgia	5.52	Romania	3.46
Andorra	.45	Germany	0.84	Russian	6.38
Argentina	.81	Ghana	3.38	Rwanda	1.82
Armenia	3.84	India	3.74	Serbia	4.43
Australia	0.9	Indonesia	3.55	Serbia and	4.39
Azerbaijan	5.1	Iran	2.61	Slovakia	4.35
Bangladesh	2.65	Italy	1.03	Slovenia	1.29
Belarus	3.08	Japan	1.62	South Africa	3.64
Bosnia and Her	5.79	Latvia	2.59	South Korea	2.81
Brazil	1.67	Lithuania	5.18	Spain	1.19
Bulgaria	5.03	Macedonia	6.73	Sweden	0.9
Burkina Faso	2.45	Malaysia	1.87	Switzerland	0.64
Canada	0.85	Mali	3.34	Taiwan	6.9
Chile	1.13	Mexico	1.22	Thailand	2.49
China	6.44	Moldova	3.8	Trinidad and	2.91
Cyprus	1.87	Morocco	2.81	Turkey	1.7
Czech Republic	3.12	New Zealand	1.34	Ukraine	3.92
Dominican	0.86	Nigeria	2.41	United States	1.68
Egypt	6.29	Norway	0.87	Uruguay	0.81
Estonia	2.58	Peru	1.43	Venezuela	2.02
Ethiopia	2.09	Poland	2.28	Vietnam	3.02
Finland	0.86	Puerto Rico	1.9	Zambia	1.98

Comparing models for two time periods (1994 and 2005)

Cross-national theories are generally ambiguous when it comes to specific predictions about values change over time. For instance, the modernization theory predicts increasing noble values as countries transition to post-materialist values but does not tell us exactly how long this process take. Similarly, the capitalism ideology explanation implies a decreasing in generosity levels in neoliberal nations as the gap between the wealthy and the poor widens but, again, offers no precise time frame for these developments.

In order to provide additional support to my initial hypotheses, I am going to examine whether generosity levels are related to the length of time a country has been classified as either a materialist or post-materialist. In general, the modernization theory suggests that generosity should improve over time, while the economic ideology perspective should produce the reverse.

To test these possibilities, I include two more tables (Table 4-10 and 4-11) that show two different scenarios depicted by the analyses of wave 3 (1994-1998) and wave 5 (2005-2008) extracted from the World Values Survey Aggregate file.

Table 4-10 for wave 3 shows little impact of economic ideology on generosity levels (Model 7), with no moderating effect. This table shows analysis from 1994 to 1998 for 42 countries and 46,090 individuals in the analysis.

Table 4-11 for wave 5 shows the moderating effect of economic ideology on generosity levels (Model 7). It is demonstrated by the change on the direction of capitalism coefficient (Baron and Kenny 1986). This table shows the analysis from 2005-2008 on 46 countries and 53,085 individuals.

Taken together, these results suggest that the economic ideology moderating effect has been increasing over time impacting generosity levels according to my previous theses.

Table 4-10. Coefficients for Hierarchical Linear Models Regressing Generosity Index on Capitalism, Materialism and Economic Ideology.

**WAVE 3
(1994-1998)**

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
<i>Intercept</i>	.162**	.149**	.157**	.167**	.086*	.317	.030
Religious person		-.0005	-.002	-.0006	-.001	.005*	.005*
Male		-.015**	-.015**	-.015**	-.015**	-.014**	-.014**
Young		.001	-.0006	.003	.003	-.009**	-.009**
Formal Educ.		-.013*	-.018**	.004	.007	-.001	-.000
Upper class		.026**	.025**	.016**	.014**	.011**	.011**
High income		.015**	.015**	.009**	.011**	.004	.003
Married		-.010**	-.010**	-.007**	-.005*	.0002	-.000
Materialism						-.049**	-.046**
Capitalism			-.0005**	-.0005	-.0005	-.0007	-.000
Urbanization					.002**	.001**	.001**
Literacy rates					-.001*	.000	.000
Human Dev. Index					.050	-.061	-.064
Capit *Mat							-.0002**

+p < .10, *p < .05, **p < .01

Note: N= 42 countries and 46,090 individuals.

Table 4-11. Coefficients for Hierarchical Linear Models Regressing Generosity Index on Capitalism, Materialism and Economic Ideology.

**WAVE 5
(2005-2008)**

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
<i>Intercept</i>	.201**	.216**	.223**	.213**	.195**	.139**	.388**
Religious person		-.008**	-.009**	-.005*	-.005*	.000	.000
Male		-.015**	-.015**	-.015**	-.015**	-.014**	-.014**
Young		.002	-.000	.003	.003	-.002	-.003
Formal Educ.		-.009*	-.005	.003	.004	-.002	-.002
Upper class		.020**	.020**	.018**	.018**	.015**	.015**
High income		.009**	.009**	.008**	.008**	.004*	.004
Married		-.009**	-.008**	-.009**	-.009**	.005*	-.004*
Post-Materialism						-.047**	-.038**
Capitalism			-.0005**	-.0004	-.0007	-.0006	.001*
Urbanization					.000	.0005	.000
Literacy rates					-.002**	-.002**	.001**
Human Dev. Index					.207**	-.126*	.117
Capit *Mat							-.0005**

+p < .10, *p < .05, **p < .01

Note: N= 46 countries and 53,085 individuals.

Limitations of empirical research

By using survey data, it is possible to describe behavior or attitudes of the 'individuals' being studied. However, there is little or no interaction between the 'individual' and the researcher. Interviews, conversations, and feedback do not occur. Moreover, the lived experience is not captured – but rather a very limited view based on a standardized and limited questionnaire. The 'researched individual' is just observed by the researcher, in a sense controlled by the researcher to the extent that the interpretations, meanings and active participation of the 'individual' are ignored or not taken into account. Therefore, the meaning of individual responses cannot be examined further.

The results of this type of empirical social research remain as working hypotheses, very expressive but concealing of the active and locally rich background in which conclusions can be understood.

One characteristic of using quantitative methods, compared to qualitative ones, is that the former abstract from local particularity and provide generalizable and transferable outcomes for application over a wider range of conditions. The downside of just relying on quantitative approaches is that they do not address the contextual and local nature of matter of study, diminishing the understanding of how the phenomena work in a specific environment. Therefore, in order to obtain a much better picture of the subject it is necessary a combination of qualitative and quantitative approaches to examine how individuals and societies adjust themselves and legitimize behaviors.

On the other hand, ideally, this study would require analyzing a long time series for different countries, pursuing this goal will reduce the number of cases drastically. Since in the present study, the driving forces behind the culture variation are assumed to be a socio-economic process, variations should show up in a cross-national comparison. Although not a perfect substitute, researchers

have used this strategy often and successfully (Inglehart 1997).

Since the effect of capitalism on generosity is likely to be long term and because the data coverage was uneven across nations, it is better to use averages over a longer period than data for a single year (You and Khagram 2005). I acknowledge that there are criticisms to this approach because it limits the analysis to a single cross-section (Haller 2002). However, in this specific analysis, I am making the assumption that lagged relationships do not matter. More specifically, it is implicit that the social economic processes driving levels of capitalism run contemporaneously with materialistic values and generosity. However, there are other studies that show benefits to an average-years method (see Inglehart 1997, You and Khagram 2005). Among the benefits discussed we have: First, it maximizes the number of nations in the sample. Second, the average-years method evens out any random fluctuations in the data, a substantial part of the variation within countries across time was likely to result from measurement error, and averaging would help to reduce it, thus, extending the period of time could also minimize measurement error.

In addition, analyses of variance (ANOVA) in similar studies showed that variation within countries over time explain about 2% of the total variation, whereas variation between countries explained 90% of the total variation (You and Khagram 2005).

CHAPTER 5

THE IMPACT OF CAPITALISM ON GENEROSITY

Introduction

Behind many worlds' economic crisis there is usually a crisis of values, represented specifically by the declined of pro-social values among individuals around the globe. A modern society, a neoliberal society will not obtain collective sustainable prosperity if the people in the upper class do not act with respect and generosity toward the people located on the lower class. The modern world has developed a very competitive economics but at the cost of diminishing people noble values along the way.

On the other hand, traditional religions and philosophers have urged individuals to cultivate temperance and virtue in their behavior despite the claims of neoliberal capitalism ideology about the source of happiness and prosperity. Therefore, it is crucial to revise society's goal and adopt the philosophy of looking after our personal needs but without forgetting sympathy and generosity towards others in society.

Jeffrey D. Sachs (2011: 10) says:

"To resist the excesses of consumerism (*materialism*) and the obsessive pursuit of wealth is hard work, a lifetime challenge. To do so in our media age, filled with noise, distraction, and temptation, is a special challenge. We can escape our current economic illusions by creating a mindful society, one that promotes personal virtues of self-awareness and moderation, and the civic virtue of compassion (*generosity*) for others and the ability to cooperate across the divides of class, race, religion, and geography".

I would add, the first step on this direction is to be able to identify and understand the impact of capitalism ideology on people noble values, such as generosity, and then we will be able to develop strategies to cope with it. This

study has been an attempt to show this impact of capitalism on individuals' values across nations; using data of 66 countries from well know international institutions and organizations.

Modernization and Capitalism

In recent years, theory and research on socioeconomic development have given rise to modernization theories. These theories emphasize the convergence of values as a result of 'modernization', the overwhelming economic and political forces that drive cultural change.

From this perspective, traditional societal values are not only malleable but also they can be substituted by modern values, enabling these societies to follow the, virtually inevitable, path to capitalist development (Inglehart 1977). The causal instrument in this developmental process is the perception of 'developed' nations that motivate the modernization of 'developing' nations through economic, cultural, and technological assistance.

Today's unparalleled wealth and apparent prosperity in advanced societies denotes an increasing proportion of the individuals that grows taking survival for granted. Thus, individuals' value priorities move from a critical importance on economic and physical security toward an increasing emphasis on humanism and quality of life.

Modernization should be understood as the particular feature of an historical form of the civilizing of human life. Likewise, capitalism should be understood as a form or mode of reproduction of the economic life of humanity: a way of implementing a series of activities, which directly and preferentially concerns the production, circulation, and consumption of goods and services produced.

One central characteristic of modernization theory still seems valid across the world: Capitalism, as economic system, generates common social and national benefits, such as increasing educational levels, technological innovation, and changing gender roles. On the basis of the analysis on the World Values Surveys, it is said that economic development has systematic and, to some extent, predictable cultural and political consequences (Inglehart and Wenzel 2005). In other words, once a society has adopted capitalism as its economic system, as the central element of the modernization process, certain values changes are very probable to occur. However it is acknowledged in this study that the economic system is not the only force at work.

While the capitalism system increases people's dominance over the environment, the appearance of capitalistic ideology is stimulating additional advancement of prevailing individuals' values in a different direction. Nevertheless, considerably less effort has been utilized investigating capitalism's dynamics regarding its 'unanticipated consequences' on society, despite the fact that economic systems share with other social systems the twin pillars of ideologies (which are internalized by members of culture) and institutions (i.e., government practices, laws, etc.) that help to ensure the efficient and continued operation of that social system (Kasser et al 2007).

Inglehart and Baker (2000) points out that capitalism has a certain tendency of giving rise to a sociocultural pattern in a society. Capitalism involves industrialization, bureaucratization, centralization, economic development, occupational specialization, rising educational level, urbanization, belief and values that support high rates of economic growth and so forth.

The general argument of the present study was that capitalist economies, that have been closely associated with the rise of modern societies, have diminished individuals' pro-social behavior by promoting the ideology of self-

interest, competition and profit maximization that may breed social isolation, economic inequality, and to some extent, political corruption, both within and between countries.

Within countries, the dominance of capitalist economies fosters a growing gap between the rich and the poor, which raises egoism levels among people (Quinney 1977). Between countries, this gap is reproduced at the international level as the world economy increasingly separates an elite group of highly industrialized countries from a much larger group of poor, economically dependent countries (LaFree 2005).

Personal values are expected a priori to vary across individuals, and by extension, societies. Certainly, the goal of much research on this kind of topic is to identify the ways that people and societies differ from one another. For example, a number of studies have sought to map out the world on dimensions such as individuals' values (Schwartz and Bilsky 1990, Inglehart et al. 1998 and Hofstede 2001).

Using international data from 66 countries, this study tested two main hypotheses. First, that higher level of neoliberal capitalism within a country will diminish levels of individuals' generosity. Consistent with the framework theory, it was found that capitalism is a significant predictor of low levels of generosity, independent of other well-established predictors. Second, the second main hypothesis states that high levels of materialistic values will also decrease levels of people's generosity. It was found that materialistic values, a central element of modernization theory, are significantly and independently predictors of individuals' generosity as well. Taking materialism index into account does increase appreciably the explanatory power of the model. In addition, when materialistic values interact with capitalism index it modifies the direction and magnitude of capitalism coefficient. Thus, it was also verified that materialistic

values moderates the capitalism/generosity relationship.

Capitalism and Generosity

Capitalism ideology is ingrained manifestly in individuals' lives and organizations, promoting specific principles and being motivated by maximization of profit and competition without undue constraint. But, competition, particularly where profit for one person may imply less for others, seem to make difficult the endurance of social cohesion and integration necessary for the administration of effective informal sanctions (Braithwaite 1989). This work contends that capitalism diminishes generous motivation through its emphasis on self-interest and competition and that such features result in the appearance of social egoism because individuals in capitalist environments acquire certain internal moral constraints that hinder sympathy for others.

Likewise, capitalism can be described as the integration of economic, political and social cultures that is related to the spreading of modernization across borders. It considers the development of a global economy in the sense that the world is moving in the direction of more efficient use of resources and the means of production. With the many apparent positive attributes to capitalism people have not noticed that there are also negative consequences. For instance, under the capitalism system, economic development can often initially highlighted by the disparities between a society's upper classes and lower classes.

This study examines the impact of capitalistic ideology and the modernization process on individuals' generosity in a cross national context. The statistical analysis has provided evidence that generosity low levels show a generally consistent response to the presence of capitalism within and between

countries. The evaluation on the generosity factor across nations suggests that the ideology of capitalism is the driving force diminishing individuals' pro-social behavior.

With this study it is possible to evaluate the extent to which economic ideology, rather than unique cultural and social features, is responsible for observed levels of generosity. Studying the performance of generosity in a comparative and cross-culturally context help us to understand the changes as a consequence of living in a capitalist society.

The main question behind this study was to find out environmental reasons by why individuals may modify their social behavior. It is argued that the structure and cultural aspects of a society may constrain individual's choice for many reasons (Durkheim 1893). However, there are limits to the extent of individual autonomy as well as social control. An ethic of individual choice and responsibility yields intrinsic fulfillment, but individuals need some point of reference in society: some symbols or codes of ideology and practice to exercise their autonomy.

The findings of this study provide an interesting perspective to the scope of the modernization thesis (and related values change theories) developed by Ronald Inglehart and others. It is important to remark that the work by Inglehart (1977) primarily emphasizes values change *per se*, although some of their literature mentions cultural elements affecting popular attitudes.

This study places more explicit stress on the effect of economic ideology, which competes in terms of explanatory power with the concept of values change. The empirical outcomes of this work have successfully shown the importance of the economic context in terms of understanding the variation of values in different countries.

Other Predictors of generosity

Capitalism is linked to generosity levels and it has been probed having an influence on them. The reason for that link does seem to be the ubiquitous ideology derived from capitalism. Even though, capitalism alone does not provide an adequate explanation for levels of generosity, based on the results; it seems that it only accounts for a moderate amount of variation in generosity.

Traditionally, other national level factors seem to have also effect on the explanation of cross-national variation on people's values. Among these factors it is important to consider, in this case, the ones that include structural conditions (Human Development Index and Urbanization degrees), and educational considerations (literacy rates), both of which seem to affect individuals' generosity levels independently of the degree of capitalism within each country. Thus, even considering the hypothesis that attributes deterioration of generosity to capitalism to be correct, capitalism clearly cannot be regarded as the sole deterrent of pro-social behavior, even after considering its deleterious effects on individuals to lose moral feelings for each other.

Although our main interest in other potential predictors of low levels of generosity across modern societies concerns their effect on the capitalism/generosity relationship, it should be noted that the other variables included in this analysis are consistent with previous cross-national research. In general, following traditional results, less-developed countries, which are characterized by lower degrees of urbanization, younger populations, seem to have higher levels of generosity than other countries. Thus, the significant negative coefficient for development is in line with both the "modernization thesis" that predicts the decline in materialistic values in more developed societies.

Therefore, it is concluded from the analysis that our main theory and

hypothesis are on the right direction in attributing generous cross national variations to capitalism ideology. However, it is common for theories of cross national pro-social behavior to oversimplify the causal landscape by focusing on narrow terrain with a specific theorized causal mechanism. As a result, contemporary theories seem only 'partially correct.' One possible solution to this issue involves bringing together various theories so that the weaknesses of each can be compensated by the stronger elements of other theories.

Finally, a good alternative might be to bring into a cross-societal analysis, like the one performed here, measures of informal social control, such as strength of social attachments. This additional data would permit conclusions about whether capitalism is related, in fact, to weak social control and whether weak social control is the connecting link between capitalism and generosity levels.

Materialistic values as moderating variable

Capitalism and materialistic values along with demographic variables and cultural features may link together in complex causal chains to explain variations in peoples' pro-social behavior among societies. According to the results, materialistic values do seem to be one of the most compelling variables for predicting variation on generous behavior; it is also exceptionally well related to capitalistic ideology constituting the intervening link between capitalism and generosity.

In the increasingly ubiquitous capitalist society, social status becomes determine generally by possessions of material goods rather than by birth, as it used to be in the past. Consequently, within this context the accumulation of material goods becomes not only a fulfillment of people's need but a means of acquiring social prestige.

According to Inglehart's modernization theory, people's values change

from materialistic to post materialistic. That is, from the need and appreciation for material security to a society guided by more elevated values such as autonomy and humanistic view of society. The ascendance of secular over traditional values and the pecuniary nexus of modern society combine to make egoistic behavior a hallmark of modern societies.

Material provisions and physical security are closely connected with subsistence, and when they are scarce individuals give top priority to these 'materialistic' values; but under conditions of prosperity, people become more likely to emphasize 'post-materialist' values such as aesthetic and intellectual satisfaction, and esteem. For instance, during the past several decades, advanced industrial societies have departed extremely from the prevailing historical pattern: most of their population has not grown up under conditions of hunger and economic insecurity as previous generations did. This has led to a gradual shift in which needs for intellectual and self-expression, esteem and belonging have become more prominent. The scarcity hypothesis implies that prolonged periods of high prosperity will tend to encourage the spread of post-materialist values – and that enduring economic decline will have the opposite effect (Inglehart 1977).

The central claim of modernization theory is that there are coherent cultural patterns that have close links with economic development. Inglehart (1977) argues that, in the course of economic development, cultural and political changes tend to occur, and their patterns are likely to be coherent and, to a certain degree, foreseeable. Therefore, if that hypothesis holds, then it is possible to infer that in post-materialistic societies the emergence of noble values such as generosity is very likely since individuals will look after each other in achieving the common good.

The relationship between modernization and changes in levels of

generosity is shown never to be a simple linear one. One contribution of this study is to show that it is the complex economic and cultural changes accompanying modernization that contribute to the observed patterns of generosity.

Materialistic Values and Generosity

The Post-materialist thesis was originally created to explain the changing orientation of popular values in economically advanced industrial societies and their attitudes and behaviors in relation to democratic governments. In the Post-materialist thesis, it is hypothesized that a process of intergenerational change is gradually transforming people's values in advanced industrial societies (Inglehart and Baker 2000).

This theory points out that modernization has a certain tendency of giving rise to a socio-cultural condition in a society. In Inglehart's (1977) terms: "Modernization involves industrialization, bureaucratization, centralization, economic development, occupational specialization, rising educational level, urbanization, belief and values that support high rates of economic growth and so forth. On the other hand, 'Post-modernization' involves rising emphasis on the quality of life, self-expression, individual freedom and autonomy.

The Post-materialist index was basically developed to measure the consequences of the values change within a society. There is possibility, however, that the variable is affected by the presence of other socio-economic characteristics. Although Inglehart's earlier work had a close association with the Maslovian values hierarchy, his more recent work gives less importance to this connection. The main reason for this is that his theory has become more sensitive to cultural and local variation that could affect what values are seen diminishing and therefore need to be emphasized (Granato, Inglehart and Leblang 1996).

As observed in the values hierarchy, people who give emphasis to physiological needs (Materialist) give more importance to actual benefit such as economic gain as well as security and social order, which are much related to immediate needs and daily concerns. On the other hand, people with values of social and self-actualization needs (Post-materialist) assign importance to self-expression and self-esteem being oriented towards other individuals' needs as well as to non-material and ethical in the realm of ideas. These dispositions, however, could also be due to a variation on cultural features. If this is the case, then it seems reasonable (and has been tested with positive results in Western democratic societies) that as industrialization advances and generates a certain degree of affluence and security for a long period, a certain values transformation occurs.

On the other hand, in non-Western societies, where it has not been examined thoroughly in terms of values change, it is also plausible that cultural particularity can have an influence over the variety of values priorities.

Considering this, it is important to observe from another angle the values distribution in the Post-materialist and Materialist scale. For instance, it should be evaluated under the perspective of a horizontal view that observe the values items equally, rather than a hierarchical view that suggests a unidirectional shift.

Having revised multiple considerations of the Post-materialist index, it seems that there is relatively firm support for the validity of the index. The scale seems to have scientific ground that has endured several analyses. In view of these, it is plausible to conclude that the utilization of the Post-materialist index can be justified. However, the index seems to have sensitivity to other socio-economic variation, which is one of the core hypotheses in the present study.

Summary and Discussion

In order to investigate the hypotheses of this study, a series of statistical analysis were utilized. These analytical approaches were conducted on three different scenarios.

The first analysis was centered on the three indicators that form the generosity index. In this approach they were treated individually. The three indicators were conceptualized as Social aspirations, Family expectations and Individual action toward generosity. The *aspirations* indicator describes the outcomes that individuals hope to achieve in society. The *expectations* indicator reflects the parents' perception of generosity habits that children must learn at home. Finally, the *action* factor measured the actual generous behavior by indicating individuals' active participation in a charitable organization.

In this first analysis, the three generosity indicators were treated independently as reflection of a specific area of the individuals' perception about generosity. This approach's goal was to scrutinize which of the three areas of generosity is more impacted by the social environment created by the variations of capitalism across countries.

After performing logit regressions it was found that capitalism is positively associated with individuals' social aspirations toward a more humane society. However, materialism in this case was inversely associated with this type of social aspirations. Likewise, when national-level variables were included, it was found that these country-level variables impacted mainly the capitalism coefficient turning it to be no significant, whereas materialism coefficient remains the same. To summarize, the analysis of social aspirations suggests that capitalism changes its statistical significance when country-level variables are included as controls, whereas materialism values negatively impacts on this particular indicator of generosity.

Regarding the analyses for the second indicator of generosity (family expectations), the majority of the findings observed in the analysis of social aspirations also hold for family expectations. For example, it was observed that capitalism is negatively correlated with this generosity indicator, albeit not significantly. On the other hand, materialism is still negatively correlated to this generosity indicator. On the other hand, the inclusion of country-level variables does not alter the behavior of the two main explanatory variables. That is, capitalism is still negative and not significant, whereas materialism affects family expectations in a negative way.

Finally, the analyses on the third generosity indicator: individual action toward generosity showed that capitalism is significantly and negatively correlated to this indicator. Materialism is also negatively correlated to individual action towards generosity.

In summary, the effect of capitalism and materialism on these three indicators are negatively related to generosity, except for the social aspirations indicator, where capitalism appears to have a positive impact.

The second approach utilized the three indicators described above as a factor for the concept of generosity. These indicators showed to represent a substantial one entity, therefore, their combination provided a reasonable measure of the generosity.

In this case, hierarchical linear models were constructed to predict the levels of generosity according to the levels of individual materialistic values and capitalism across countries. Both individual-level and country level predictors of generosity were included.

As a starting point, it was assessed the contribution toward generosity accounted only for variation in the country of origin. The overall contribution of country-level effects to variance in generosity was low, but statistically

significant, explaining just 5.70 percent of the total variation. By examining the Intra-class Correlation, it was established that around 20 percent of the variance in generosity is due to differences across states, with the remaining 80 percent attributable to individual differences.

When individual level variables were included, it was found that the variables chosen are not strongly related to the generosity index. But it is important to keep in mind that a central argument of this study is that for generosity, national variations of capitalism and other intervening variables matter considerably.

When, no variation across countries is taken into account, as predicted, capitalism is related significantly, albeit weakly, to generosity in the direction he stipulated; that is, the higher the level of capitalism in a society, the lower the generosity index. However, when this relationship was allowed to vary across countries, then capitalism becomes almost zero and no significant, suggesting that capitalism' across countries broader conceptualization does not have any impact on how individuals exercise generosity at the individual level.

The inclusion of country-level variables and allowing variation across countries did not change the association of capitalism with generosity significantly. Thus, even with these possible predictors of generosity controlled, an increase in capitalism is still associated, not significantly, with decrease on generosity. Therefore, even though the capitalism index does not stand out as the strongest predictor of generosity across nations, this result does provide support for the proposition that capitalism diminishes generosity, at the individual level.

After establishing the way capitalism is related to generosity, it is important to turn to the explanation for why capitalism might lead to decreased generosity index. However, taking into consideration the second hypothesis that

states that capitalism interacts with materialistic values, creating an atmosphere conducive to egoistic behavior, the materialism index was included.

Consistent with the theoretical prediction, the coefficient for materialistic values on generosity was found significant and in the expected direction: the greater the materialism, the lower the generosity index. However, if materialism moderates the capitalism-generosity relationship, controlling materialism should reduce or eliminate the capitalism-generosity relationship. Hence, initially the second hypothesis that expects materialism to be the intervening link between capitalism and generosity was not supported. Nevertheless, it was considered the initial argument about the interaction of capitalism with materialism that works together in the diminishing of generosity. This possibility was manifested by introducing a multiplicative interaction term (capitalism \times materialism) into the predictive equation for generosity, turning its coefficient to be statistically significant.

The inclusion of this interaction in the model changed the results of the findings already reported. First, capitalism not only turns to be significant, but also the direction of its coefficient change to be positive. These effects show the moderating effect of the last variable included.

Finally, this analysis shows empirical evidence that the effect of capitalism on generosity is moderated by, or conditional on, the interaction level of individual materialistic values. Both capitalism and materialism seem to be significant, but independent predictors of the diminishing of generosity.

And finally, to provide a more complete examination of the relationship between capitalism and generosity and the moderating effect of materialism it was also generated a country level indicator for each variable. In order to accomplish this it was calculated a ratio using the dichotomous indicators and then aggregating them to the national level.

This analysis has four parts. First, the bivariate coefficient analyzed the relationship between only capitalism and generosity ratios. As it was expected, capitalism is related significantly to generosity and also in the direction indicated; that is, the higher the level of capitalism in a society, the lower the generosity rate. However, taking materialism into account does increase appreciably the explanatory power of the model and also, consistent with the second premise, the coefficient for materialism on generosity ratio is significant and in the expected direction: the greater the materialism ratio in a country, the lower the generosity rates.

In addition, similarly to the previous analysis, making allowance for a further interpretation on the actual meaning of materialistic ideology, and in order to explore that possibility, a multiplicative interaction term (capitalism * materialism) is introduced into the predictive equation for generosity.

The coefficient for this interaction was found to be statistically significant, and its inclusion in the model did change the pattern of capitalism index from negative to positive and from statistically significant to no significant. Thus, this analysis showed empirical evidence that the effect of capitalism on generosity rates is mediated by, or conditional on, the level of materialism. Therefore, both capitalism and materialism seem to be significant and interacting predictors of levels of generosity within a country.

In conclusion, even though the capitalism index does not stand out as the strongest predictor of generosity rates across nations, these results do provide empirical support for the hypothesis that capitalism reduces generosity within countries.

CHAPTER 6

CONCLUSIONS AND RESEARCH IMPLICATIONS

Introduction

This chapter considers the findings of the research and their implications for the two central themes of the thesis: (1) Modernization theory values change and generosity and (2) economic ideology interaction on this relationship.

The Modernization thesis on values transformation introduced by Inglehart and others primarily assume that, as a consequence of industrialization and post-industrialization people's values will transform in manners to increase an awareness and an emphasis on self-expression, self-esteem and other noble qualities, such as generosity.

Along this lines, the theories also implies that modern societies individuals become increasingly concern with the broader spectrum of society seeking to form a new notion of community with collective approach and more egalitarian share. In relation to these, the present study suggests that economic ideology should be taken into consideration as a factor interacting or competing with that of values change in terms of influence on people's attitudinal conditions toward higher values such as generosity.

The central conclusion of this dissertation is that economic environment, in the form of an ideology, impact people's pro-social behavior.

Generosity and community cohesion

Naturally people have a substantial necessity of living in community. In other words, individuals have this "instinct of community". However, in modern times this 'instinct' seems to be becoming less consistent. For instance, some people are using the notion of community as an instrument to separate and shield them from one another. Society is growing fragmentation and separation

(Beckhard, Goldsmith, Beckhard and Schubert 1998). On the other hand, biologist Lynn Margulis (1998) notes that 'individualism' is not a concept that explains the living world. It is only a political concept that people have invented. The instinct of community is everywhere in life.

Muller, Nepo and Scribner (2002) contrast market economies with gift economies, where community gain is put before individual gain. Along these lines, Eckstein (2001) says that too much attention is given to individualistic-grounded generosity, with the result that the collectivistic nature of giving is often ignored. He remarks that groups (rather than individuals) initiate, inspire and oversee many generous practices in our society.

This study argues that the concept of generosity, and its manifestations, can closely be linked to idea of 'community', because the absence of generosity creates a society that lacks connectedness and spirit of solidarity (de Waal 2009).

Community involvement leads to improve community relationships, creating stronger communities that participate more efficiently. Community involvement can also help creating cohesive communities that bond them with other communities. Our generous actions create trust and leave open the possibility of future returns from others (Wilkinson and Bittman 2001). Often times the return of the favor is instantaneous, but in other instances there is more 'generalized reciprocity' or broader community connectedness. Because generosity is firmly associated to the notion of reciprocity and solidarity, it is often a recurring process. Existing social networks make available settings to recruit each other for good actions and foster norms of reciprocity. People who receive help are then more likely to help others.

Generosity builds commitment, which builds sustainable, cohesive communities that can respond and adapt to social demands, such as tough times, and emergencies. This characteristic is especially important in time of crisis. It

has been proved that cohesive communities can deal with faster and more practical solutions to natural, social or economic disasters. People who give to their communities are taking ownership of social issues and are more likely to contribute, and want to contribute, to finding solutions to common problems. This is important as the needs of society cannot solely be met by government alone.

Internationally, there is renewed interest in civic engagement and social inclusion. Patel (2008) believes that this "is due in part to the changes brought about by the globalization process and concomitant social and economic disparities within and between countries." She points out that the costs of social exclusion are high and cannot be ignored as they impact negatively on productivity and economic growth, as well as social cohesion of communities. Patel argues there is a "link between social exclusion, disempowerment, a loss of confidence and trust in national governments, and violence, and it is increasingly being made as reflected by ongoing political violence, youth violence and ethnic and religious strife around the globe."

According to Patel, civic engagement is one vehicle to promote active citizenship and social inclusion. Civic engagement or participation includes everything from participation in elections, to participation in local neighborhood level decision-making structures, volunteering and service programs. One of the important consequences of generosity is the inspiration for a spirit of community that challenges our current shared celebration of the individual material pursuits.

The creation of renewed spirit of community is one possible solution to many problems that society faces at different levels. Community is the essential aspect of a new set of values and a new consciousness that must replace the self-interest driven mindset. This study, envision a society based on cooperation and care rather than competition and exploitation of people and natural resources.

My thesis is that the pro-social behavior culture has been seriously declined since people have become habituated to the ideology of self-interest, competition and desire for material accumulations, without realizing that it is more advantageous for society to have fewer material goods but better human relationships.

Reciprocity: developing generosity

Generous beliefs move people, allocate goods, and can also be viewed as an engine for redistribution of resources. This aligns closely with Polanyi's discourse (1968) whereby the notion of generosity is reinforced by the idea of reciprocity. For instance, some individuals consider that there is currently an imbalance of wealth (in all its forms) within society and amongst individuals; therefore, it may be that there is unused wealth or capital which could be voluntarily better directed. In this sense, generosity could alleviate inequality, through the support of people help, and individually through private and organized giving (Stiglitz 2012).

Manifestations of reciprocity are ubiquitous and vital in society. The natural collaboration with others is necessary to the existence of a free and organized society. Reciprocity is initially learned at home, in fact, families are fundamentally a network of reciprocities. For instance, parents give to their children supposing that their children will give to them and to their own children constructing intergenerational reciprocities.

The existence of reciprocity can be a challenge or a 'failure' of the market society that usually functions on beliefs solely based on self-interest, accumulation, and competition. In addition, generalized acts of reciprocity can become a spontaneous remedy for other discontents with the system.

Reciprocity is also a characteristic of communities around the world.

Manifestations of reciprocity occur both between members and between each member and the community as such or its institutions. Voluntary contributions to public goods are often favored by the hope that other recipients of help will also contribute and do their fair share. Successive communal support is often possible only because balance reciprocity motivates the last aid. Reciprocity in trust has been shown to be a strong factor of economic efficiency and productivity at the level of firms or of cultural areas.

Reciprocity in communities is widespread and often necessary for its functioning and progress. Community relations are not apart from occasional conflicts however, they are more often the place of reciprocities in goodwill, effort, and trustworthiness. All these relations entail a shared reciprocity which differs from the competitive market model.

Ultimately, reciprocity also constitutes an economic system in itself (Polanyi 1944), with various possible scopes and extensions. Motives and relations of reciprocity constitute the ideal of the social movement of cooperatives. Traditional economies are essentially systems of reciprocity, and socially successful development depends largely on keeping and relying upon specific relations and motives of reciprocity. Perceptive analysts of economic systems classically retain the threefold division into market exchange, command, and reciprocity. Actual societies are a mix of all three, in characteristic and varied proportions.

Concluding remarks

The two major goals of this study have been to make the case that modernization and capitalism are a complex socio-economic systems worthy of study and to suggest that, although the capitalism has successfully produced abundant wealth and perhaps relieved certain social problems that people

encounter, there are also some consequences that it has incurred along the way.

One useful way of understanding some of the consequences of the capitalistic system is to consider the values and goals that help to maintain its institutions and ideologies. For instance according to historian Joyce Appleby (2010, pp.7): "In the beginning it (*capitalism*) was not a system or a concept, but rather some scattered ways of doing things differently..." "So the riddle of capitalism's ascendancy is not just economic but political and moral as well."

The aims most consistent with the capitalistic ideology (i.e., self-interest, competition and profit maximization) were analyzed, using cross-national settings to observe how values and goals are organized. Then using a variety of literatures it was evaluated how these aims conflict with and undermine pursuits long thought by academics and philosophers to be essential to individual and collective pro-social behavior. These include helping the world be a better place, having committed, close relationships, and feeling worthy and autonomous.

There is no doubt that modernization and capitalism is spreading through the world at a stunning pace, and is infiltrating more and more aspects of people's lives. Although individuals recognize that there may be benefits from this economic system, in this study, I have highlighted some of the capitalism consequences, as it is the nature of this economic system that the costs are often left unarticulated.

It is expected that this study will provide and starting point for exploring the host of theoretically interesting and vitally important questions about the implications of living under the capitalism economic system. Insofar as researchers begins to bring a sophisticated set of approaches to understanding capitalism, an exciting and worthwhile opportunity presents itself: Social scientists could apply its unique perspectives and knowledge toward developing a more equitable, compassionate, and sustainable economic system and

ultimately a better society.

In this study it has been argued that a modernization perspective is consistent with the prediction that generous behavior levels will decline as materialistic values levels are higher within a country. On the other hand, it was found that generosity levels were significantly lower in neoliberal capitalistic societies than in welfare societies.

It was also argued above that from a capitalistic perspective it is consistent with the argument that the 'modern' economies associated with modern countries will decrease levels of generosity as they have more individuals holding materialistic values as prevalent in their society.

Consistent with the modernization perspective, the results show that countries moving from materialist to post-materialist experienced a significant increase in generosity levels. In light of this last finding, future research should attempt to determine the country characteristics that are associated with decreasing pro-social behavior and investigate how these characteristics may be sustained during the process of transformation.

Contrary to this argument, it was not found that modern societies had on average higher generosity levels than materialist or traditional societies.

Finally, it was also argued that a modernization perspective suggests that generosity will have lower rates in countries that are transitioning between welfare states and neoliberal ones.

While common theoretical perspectives on pro-social behavior have generally been longitudinal, this study has been based on cross-sectional data. Moreover, most studies of cross-national have been limited to a handful of highly industrialized countries. In this study I was able to pull together a database larger than any other published source of which I am aware. Although this data include a large number of highly developed countries, I was able to also include

an unusually large number of developing countries in the analysis.

Compared with developed societies, developing societies are more likely to experience higher levels of generosity because the transition from traditional to modern society is associated with a breakdown of the normative order characterized by adopting neoliberal capitalism as its predominant economic system. This raises the possibility that it is not modernization that is diminishing generosity, but the economic ideology of neoliberal capitalism, and that the extent to which highly modernized countries have high levels of neoliberal system. Thus, fully modern societies may assume many characteristics associated with generosity patterns. But at the same time, they may well also develop characteristics associated with declining generosity. Our research suggests that whatever these pro-social characteristics are, they generally increase depending on the level of neoliberal ideology present in each country.

The modernization theory when addressing values change in societies presumes that individuals' orientation to generosity is facilitated by the post-materialist values transformation. This study results, however, discovered difference in the patterns of the associations across countries mostly by the influence of levels of neoliberal capitalism.

It was reasonable to incorporate the perspective of capitalism's ideological influence in addition to that of values change. The empirical analysis on this study probed the influence of neoliberal ideology on the declining of generosity.

Research implications

This section will outline the ways in which this dissertation makes a contribution to the sociological academic field. First of all, the findings provide a modification to the scope of the Modernization thesis developed by Ronald Inglehart. It should be noted that the work by Inglehart primarily emphasizes

values change *per se*, although some of their literature mentions cultural elements affecting popular attitudes. This study places more explicit stress on the effect of economic ideology, which interacts in terms of explanatory power with the concept of values change. The empirical outcomes of this work have successfully shown the importance of economic environment in terms of understanding the variation of values and value change across different countries contexts.

Moreover, neoliberal capitalist societies tend to place a lower emphasis on generosity in comparison with welfare societies. The finding parallels the claim of some cultural discourses that neoliberal economic environments attach importance to autonomy and individualism.

In the meantime, this thesis has empirically found that a perception of capitalism can vary depending on different cultural scenarios. This finding contributes to the extension of the scholarly debate relating to the theoretical differentiation in types of capitalism.

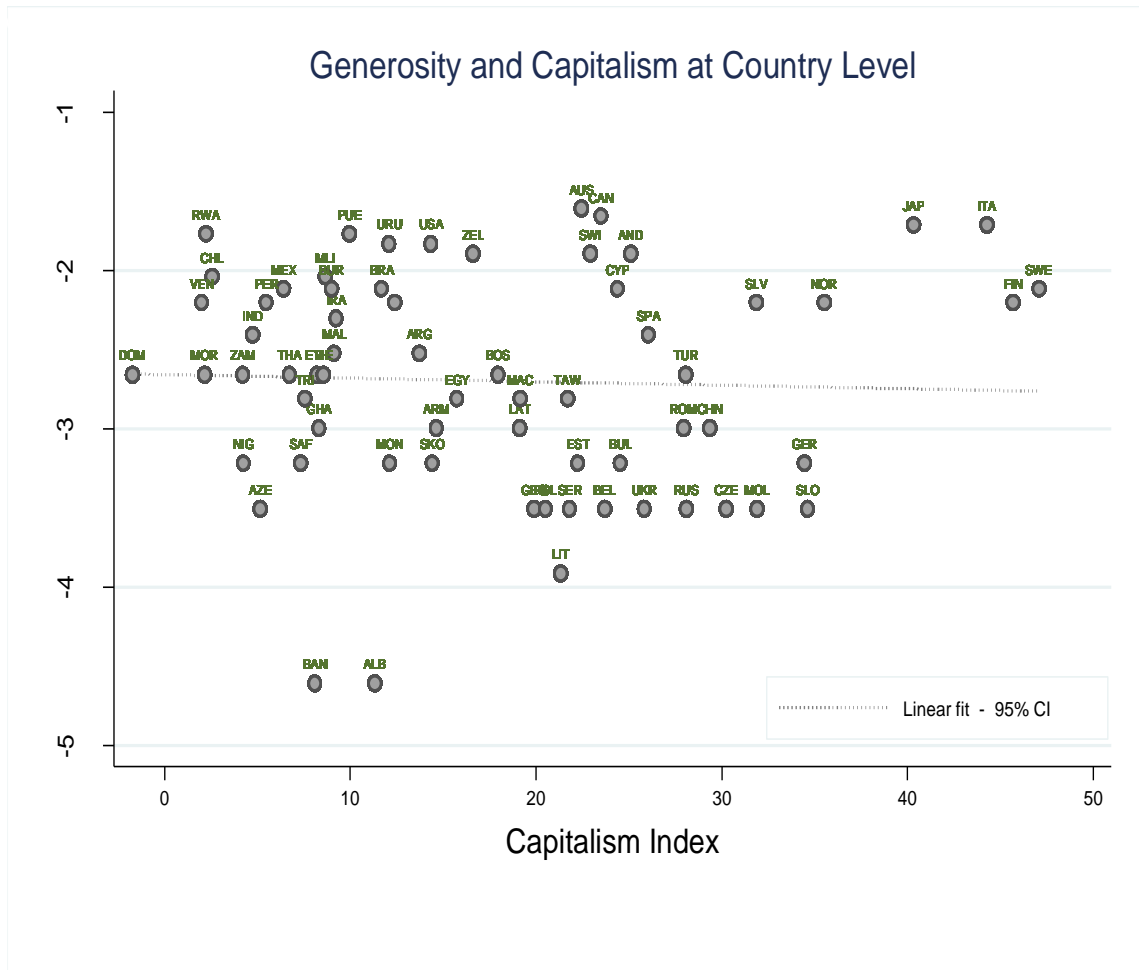
APPENDIX

A-1. Classification of Countries in the Study by Development

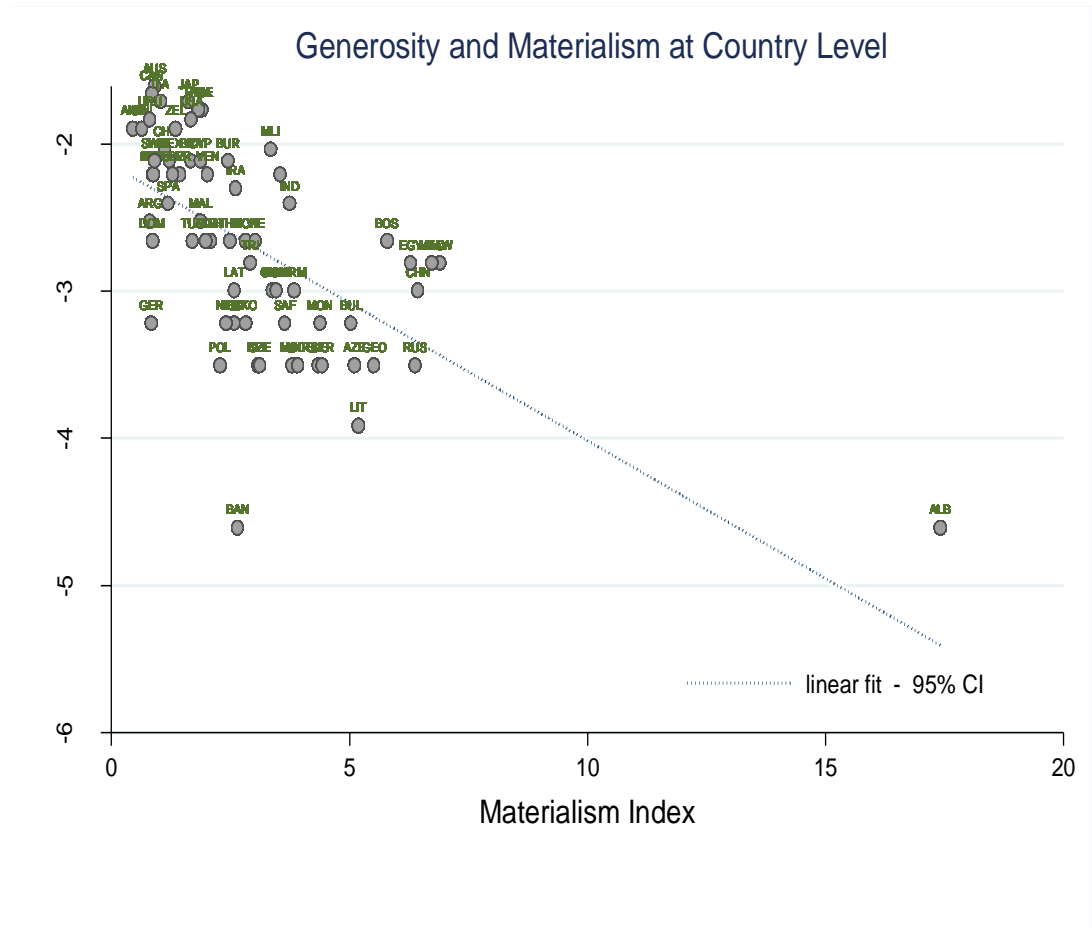
Very High	High	Medium	Low
Andorra Argentina Australia Canada Chile Cyprus Czech Republic Estonia Finland Germany Italy Japan Latvia Lithuania New Zealand Norway Poland Slovakia Slovenia South Korea Spain Sweden Switzerland United States	Albania Azerbaijan Armenia Bosnia and Herze Brazil Bulgaria Belarus Georgia Iran Macedonia Malaysia Mexico Peru Puerto Rico Romania Russian Federation Serbia Serbia and Montenegro Trinidad and Tobago Turkey Ukraine Uruguay Venezuela	China Dominican Republic Egypt Ghana India Indonesia Moldova Morocco South Africa Taiwan Thailand Vietnam	Bangladesh Burkina Faso Ethiopia Mali Nigeria Rwanda Zambia

Note: Based on the United Nations Human Development Indicators

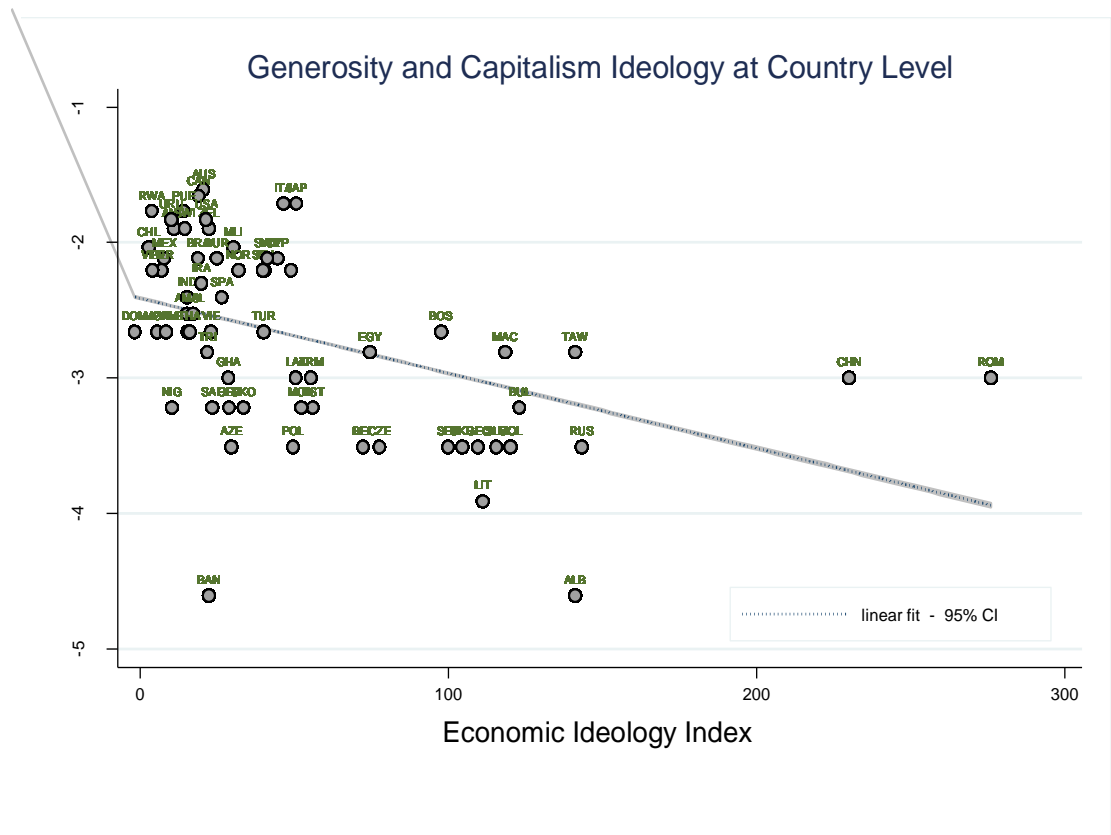
A2. Bivariate Correlation between Capitalism and Generosity (N=66)



A3. Bivariate Correlation between Materialism and Generosity (N=66)



A4. Correlation between Economic Ideology and Generosity (N=66)



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