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# *VOLUNTEERS FOR DEVELOPMENT: A TEST OF THE POST-MATERIALIST HYPOTHESIS IN BRITAIN, C. 1965-1987*

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**Abstract**

Volunteering by young adults for working in Third World countries on development projects emerged in Britain the late 1950s. Three decades later, the country's largest volunteering sending agency, Voluntary Service Overseas, had sent more than 21,000 people abroad. The most common explanation for the emergence and growth of what is a small social movement is the affluence-value change theory, or Post-Materialism, which predicts that variations in the growth of the movement should vary positively with changes in wealth. This paper tests this prediction with a simple econometric model, and finds that this does not appear to be the case.

## Volunteers for Development

### *A Test of the Post-Materialist Hypothesis in Britain. c. 1965–1987*[*]

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[*] I would like to thank the staff at Voluntary Service Overseas (VSO) headquarters in London, who kindly put up with my incessant enquiries and provided me with research space in the Resources Centre. In particular, I would like to thank *Mr Dick Bird*, Director of Communications and New Services, who provided me with the basic data and a whole batch of internal documents and memoranda concerning VSO’s recruitment policy and planning, as well as *Mr John Nurse*, Head, RIO, who explained to me the ins and outs of VSO’s recruitment process and pointed me in various fruitful directions. I would also like to extend my appreciation to Avner Offer who encouraged me to finally let this piece see the light of day and made valuable suggestions for improvement of the final draft.

## I. Introduction: An Economic Question.

An enduring and engaging economic, political, and social theme in post-1945 Europe an North America is that of aid to developing countries. The origins of the theme are complex, being variously tied up with colonialism, the two world wars, super-power relations, as well as the peculiarities of religious doctrine and sentiment. There are many histories of the subject.

Yet, in contrast to the volume of concern and debate that subject of development aid generates – not surprising as it is nothing other than a question about the distribution of wealth – the extent to which its basic economic reality touches the general public of donor countries in advanced industrial nations is probably very slight.[1] It is doubtful that the average tax-payer in donor countries is aware of just what proportion of government expenditure is channelled in this direction, and elections certainly have never been won or lost on the size of the aid budget.

In Britain, however, there is a small section of society for whom development aid has a much more distinct personal meaning and value than is the case for the majority of the population, and for whom the moral and ideological questions are not just a point of intellectual fascination. These are the over 21,000 or so adults who, since 1958, have been placed by Voluntary Service Overseas (VSO) – the country's largest volunteer sending charity – as volunteer aid-workers in developing countries.[2] The service involves employment by a host government agency or a non-governmental organization (NGO) with minimal remuneration: a local salary plus accommodation (i.e., VSO does not run its own 'development projects' or work-camps). In choosing to volunteer, these individuals transfer two-years, or five percent, of their economically active life to service communities in developing countries.

If we recognise that there are perhaps an additional 2,500 individuals who have been placed by other smaller volunteer sending agencies under similar terms, as well as the fact that those who actually serve as VSO volunteers are only approximately a quarter of those who apply, we are, so to speak, dealing with a small and coherent social movement – or in the typology of recent sociological theory, a *new social movement*.[3]

There are five key social characteristics of VSO that fit it into the new social movement category:[4]

(1) *It is an organized and active response to a felt injustice.* Namely, its members seek a normative innovation in their society, in this case the improvement in the quality of life for *all* people, irrespective of race, religion, or nationality. Moreover, the members of the movement pursue their aim by not just *petitioning* the status quo for change, but *demanding* that the innovation they desire become a reality by transfering personal resources to the cause.

(2) *VSO applicants are self-selected by their adherence to a common ideology – or set of constitutive ideas.* The movement is bound together by a belief that there is an essential interdependence between rich and poor nations and that the gap between the two not only *must* be bridged, but *can* be, in this case by the sharing one's skills in a spirit of 'service'.[5] For example, in a recent a booklet entitled, *Is VSO for You?* it is noted: 'VSO aims to promote and support human

[1] For example, even when Britain's aid budget was at its most generous in the 1960–61 financial year, it was only 0.6 percent of GNP. In today's terms (1990 prices), this amounted to just over £26 per person. In 1990, Britain's aid budget fallen to 0.36 percent of GNP, or £30 per person.

[2] Britain is of course not unique. Other countries, notably Denmark, Sweden, the Netherlands, the USA, and Canada have volunteer recruitment agencies. This paper is, however, conWned to Britain.

[3] The size of this movement is much larger if we would takes into account those who simply make enquiries regarding the opportunities that the volunteer sending agencies offer but do not submit an application because they do not meet specific institutional criteria. For example, in the 1991–92 financial year VSO sent out nearly 23,000 application forms and turned away a further 12,000 on the basis that these individuals did not have sufficient qualifications or work experience to make an application (see memoranda of 03.04.92 in VSO folder: *PRU 01.92–*).

[4] These characteristics are distinct from those of *old* social movements that largely pre-date World War II and have their origin in the late Enlightenment. Old social movements were essentially concerned with the strivings of the industrial proletariat, were more or less based on the nation-state, and operated within the established political order (i.e., the liberal-humanitarian ideology). For a general survey of social movement theory, see Heberle (1968) and Gusfield (1968); for new social movements see Turner (1969; 1994) and Johnston *et. al.* (1994).

[5] The idea of 'service' is probably *the* defining mark of VSO throughout its brief history. See VSO's 1989 *Annual Review*.

development through working to improve people's education and health, income and employment opportunities, and the ability to contribute to their society. *VSO also works for development back home through a commitment to raising awareness of the issues and by working to change public attitudes*'(VSO 1994: 1, emphasis added).[6]

(3) *VSO and its members are non-partisan.* The movement functions outside the party-political system and is not concerned with advancing the interests of any particular status group, class, or nationality within the status quo.

(4) *It is comprised of the middle-class.* VSO recruits primarily from the professions and from those with a higher education.

(5) *Membership is defined by a personality characteristic.* Namely, the potential volunteers has 'a quest for identity' or a desire for self-discovery. In the words of a recent VSO report: '… the humility for personal learning and development' (Nurse 1995).

While it is clear that these characteristics do not make VSO unique as an organization and movement, there is a distinguishing mark that sets it apart from the more global Third World movement. The larger Third World charities such as Oxfam, the Save the Children Fund, Christian Aid plus the myriad of smaller NGOs and pressure groups concerned with the A to Z of development aid may follow the same agenda, but the supporters of these organizations do not as a rule face the type of personal choices that VSO's volunteers do.

Oxfam's constituency for instance engage in activities that are not perceivably different than those of VSO's regional groups – fund-raising, publicising Third World issues, etc. – but as an organization and movement Oxfam is not reliant upon a distinct group of people who have donated five percent of their professional life to the cause. The difference may be summarized as follows: volunteering a few hours per week of one's leisure time in an Oxfam high-street retail outlet, or donating a portion of one's income either on a regular or ad-hoc basis does not add up to having transferred a clearly defined proportion of one's economically active life to the communities in developing countries.

In short, a decision to apply for a posting of the type offered by VSO involves a clear opportunity cost, viz., immediate income forgone, a step on a career ladder, professional peer reputation, or even further education and training. Such a decision is anything but trivial. Evidence documented by VSO suggests the difficulty of the choice that underpins the movement. It is, for instance, noted in a 1991 policy position paper on recruitment that '… we know the whole process of assimilation and gestation can take enquirers anywhere between two and four years before they feel it is "appropriate" to apply, and in some cases a lot longer.'[7] Later in the same year, more detailed research indicated that of the 15 percent of enquirers who were considering submitting an application, only five percent thought they would do so inside a year and 20 percent thought it would take them between one and two years to decide.

Thus the social movement that is VSO is not sustained by 'diffuse' or 'affective' support such as subscribing to a newsletter, participating in a march or a lobbying campaign, or by giving money donations. It is not the operation of a particular social norm or peer pressure to 'join in' that is at the heart of the particular ideology and movement that is under the microscope here, but it is rather that which we can term 'utilitarian' support. By this is meant the fact of individual choice based on a calculated appraisal of the immediate costs and benefits of the prospective membership of the movement. In other words: VSO is sustained by an economic choice – though not necessarily an economic motive – that ultimately involves the transfer of human capital to a social and politial cause.

The question we must ask, then, is: given its fundamental economic nature, are there any basic economic conditions that play a role in determining the growth of the VSO movement?
This paper is, thus, an enquiry into the economic determinants of the VSO movement. It is organized as follows: Section 2 reviews the common explanation for phenomena such as VSO – which I will denote as the 'affluence–value change theory'; section 3 is a critique of this

[6] VSO has a network of 80 local groups of returned volunteers.

[7] Policy position paper entitled 'When the short-term isn't enough' (dated as 06.91) in VSO folder: *PRU, 01.89–12.91.*

explanation and offers two formal propositions that can be used to test its validity in explaining variations in the growth of the VSO movement; section 4 develops and estimates an econometric model that can formally test the proposed propositions; and section 5 are concluding remarks.

## 2. Common Explanation: The Affluence–Value Change Theory

The idea that there are economic conditions requisite for the emergence and growth of new social movements such as VSO is commonplace, with the literature typically accounting for these movements as a positive function of the historically unprecedented affluence in the advanced industrial countries of the immediate post-war era (Inglehart 1977, 1990; Johnston *et. al.* 1994; Turner 1969, 1994). The reasoning behind this theory is straightforward and is essentially based on the principle of diminishing marginal utility, found in economic theory. It runs as follows:

An individual's priorities reflect the socio-economic environment: one places the greatest subjective value on those things that are in relatively short supply. Given that from the early 1950s the majority of people in the advanced industrial countries have ceased to live under conditions of hunger and economic insecurity, there has been a gradual shift in political preferences and thus social values from those that are primarily concerned with economic growth and stability to those that place more relative weight on non-material needs such as a sense of belonging, esteem, self-expression, and intellectual and aesthetic satisfaction. That is, we have moved from 'materialist' values which can be crudely typified as the placement of 'cash and security' at the top of personal preference orderings to 'postmaterialist' ones in which these non- or amaterial needs are placed at the top of such an ordering. Examples of the postmaterialist values are preferences for political parties that propound ideals such working towards a future in which '… ideas count more than money' or 'a society that is less impersonal' (Mastekaasa 1983). In economic terms, we can say that in the post-war era has seen the emergence of a diminishing marginal utility of material wealth. Although there are various versions of this theory of value change, it has been popularized by Ronald Inglehart (1977, 1990) under the heading of *postmaterialism*.

The shift is, of course, not a one-to-one relationship. As Inglehart (1977: 1–24) and others have speculated, it has depended not only upon the rapid growth in per capita real incomes but also upon five additional factors, namely:

(1) *The absence of total war*. The simple fact that there has been no major war in any advanced industrial nation since 1945 has created a climate of security that has inestimable consequences upon cultural styles. In essence peace has meant that *raison d'être* of the nation-state – the maintenance of order and the defence of its people and property against outsiders – began to fade into the background of political priorities. In its place has emerged a cosmopolitan rather than parochial outlook upon the world. Inglehart (1977: 334) has called this a 'supra-national orientation'.

(2) *Technical Innovation.* Rapid technical change probably runs alongside rising real incomes as a primary cause in social change. It not only underpins the increased productivity of advanced industrial nations, but is also the thread that ties the succeeding three factors (3, 4, 5 below) together: it has rendered expanded educational opportunities both necessary and possible; it has created the mass media; and led the changes in occupational structure – or in Marxist language: changes in the social relations of production.

(3) *Changes in occupational structure.* The basic theme here is the movement from 'industrial' to 'post-industrial' society, i.e., the displacement of industrial employment into the tertiary sector, especially into what is now called the knowledge industry, has led to a rapid expansion of the middle-class as well as to major changes in labour-market structure and participation. One of the most notable consequences has been that of the changing role and place of women in the professions which in turn has led to major shifts in the home and family.

(4) *The expansion of educational opportunities.* It is now well accepted that education is one of the most important variables in social and cultural change as it permits the more rapid development of cognitive skills that in turn allow people to assess and evaluate their lives and social environment which in turn leads to new demands being placed upon the social and economic environment.

(5) *The communications revolution*. There have been three aspects to this. The first is the development of the mass media whose influence on social change cannot be doubted, though it is difficult to specify how the process works. The second aspect is the expansion of communications networks made possible by technical innovation that has led to an acceleration in the speed as well as an expansion of the distribution of information. The third aspect is the increased speed and reduced cost of long distance travel leading to greater mobility of populations. This has also aided the emergence of the supra-national orientation. Most importantly, however, the communication revolution has given substance to the idea of a 'global society'.

From these six factors, the theory, which I will now denote in short-hand as the *affluence–value change theory*, argues that post-war generations in advanced industrial societies have thus been brought up in quite a different socio-economic climate than did their parents and grandparents. These generations are affluent, communications rich, and cognitively mobilized. Most significantly, being freed from the urgency of material acquisition and therefore more sensitive to the non-material or 'higher-order' needs (as predicted by Maslow's needs hierarchy of human motivation) they have become 'socially dissonant'. Being intolerant of restrictions imposed by the status quo who are still caught up with 'lower order' or material needs (due to the experience of the Great Depression and two world wars) they are quick to challenge and discard the mores and traditions of their forbearers. In Inglehart's (1977: 11) words, post-war generations have 'distinctive cohort experiences'.

What these experiences add up to are, in the words of Ralph Turner (1969: 404), ones that have deep 'psychological meaning' for modern post-industrial society: these generations have not been able to derive any kind of assurance from their societies regarding their personal worth. They are struck by a quest for identity. The corollary is that the generations born during the 'golden era of capitalism' suffer what sociologists have variously termed 'a state of normlessness', 'alienation', or more classically, the Durkheimian 'anomie'.

As a redress, new social movements have sprung up that have as their *raison d'être* in solving this existential problem. The quintessential one is obviously environmentalism, which takes as its starting point this apparent crisis of identity. As Jonathan Porritt, a leading British environmentalist, has commented, 'alienation has become part of lives', which he defines as, 'the sense of estrangement people experience between themselves and their work, their health, their environment, and the workings of their democracy' (in Turner 1994: 93). The remedy is to be found in 'alternative life styles' that emphasize the interdependence of the 'part and the whole', that is, in 'holistic' ways of living that place the search for personal identity and worth above that of material gain. Movements such VSO have, according to the affluence–value change theory, their origin and growth in this process.

Clearly this is a coherent and attractive explanation, and in many respects appears to be quite close to the truth. If we study, for example, the motivational ideas and intellectual justifications that lie at the heart of VSO it is not difficult to see the processes described by the theory at work. In fact, if we examine the only published history of VSO, written at the end of the 1960s, the introductory chapters give us precisely this historical backdrop: VSO was founded, so Michael Adams (1968) argues, in the midst of social upheavals and attitudinal changes brought about by the social changes initiated by the Second World War and the increasing prosperity prosperity and expansion of the middle classes that followed it.

When we read this history we find VSO's founder, Alec Dickson, a former colonial civil servant, having returned home in the early 1950s and become distressed at the 'malaise of youth' who, as far as he was concerned, were stifled by the comfort of wealth and the 'straight-jacket of the welfare state' (Adams 1968: 41). It was not long before Dickson was able to form a more precise opinion as to the source of this emerging social crisis. For he turned up on the Austro-Hungarian border in the autumn of 1956 as part of a spontaneous relief effort that was assisting refugees fleeing the Russian tanks that had rolled into Budapest, to which his most vivid impression was 'not the refugees, but the young students from Britain finding satisfaction in being used' (in Adams 1968: 41). In the words of Adams, 'what Dickson saw in this unlooked for emergency was the sense of fulfilment for individuals who found themselves valued and depended upon – and for whom life at home offered no comparable opportunity' (Adams 1968: 41).

As far as Dickson was concerned, then, post-war prosperity was fracturing British society; in fact it was worse: its future was at stake as its youth had no stable reference points so essential for morality and citizenship. The beliefs that Dickson formed while at the Austro-Hungarian border were strengthened during another period of travel was to follow shortly. Writing after he and his wife had explored the jungles of Sarawak and lived for a few months among its indigenous people, the Dyaks, his wife mused in her diary that there was 'an integrated whole from the cradle to the grave and the survival of the group depended upon each unit fulfilling its unique functions' (in Adams 1968: 45). Comparing this experience to what they thought was happening in their own country, the Dickson's concluded that there was little point in giving youth material and educational advantage if they were denied the satisfaction of being valued for what they could contribute to the community. The idea of an organization for providing opportunities to learn responsibility, citizenship, and to discover a clear sense of self-worth and identity was hit upon.

Around the same time (February 1957), Dickson was strongly influenced by George Edinger's article in the *Spectator* concerning the imminent independence of Singapore and Malaysia. In the article Edinger argued that rather than simply pulling out from the colony for good once the Union Jack had been lowered over Government House and political authority handed over, Britain had the opportunity to initiate a fresh departure in human relations that would help to heal some of the abuses of colonialism. Edinger thesis was that on the basis of a recognition of the absolute equality of status between nations and cultures, the former colonies and Britain could 'embark on new and exciting joint ventures'. Primarily, Edinger thought, this was an opportunity for the younger generations to assist in the development of these countries into new modern nation states. Dickson at once saw the potential for using the principle of development assistance as a solution to the major social evil that he saw in his own country.

Dickson found a willing collaborator in the then Bishop of Portsmouth, Dr Launcelot Flemming, who was very engaged in youth work. Together they drafted a letter to the *Sunday Times* in March 1958 that was headed 'The Year Between'. The letter, which was signed by Flemming, outlined the basic idea of VSO. Essentially it was a bid for public support for three propositions: (i) The underdeveloped countries of the Commonwealth offered 'opportunities for service that would not only make a positive contribution to those countries but would constitute an experience of inestimable benefit to many of our young people.' (ii) The type of service that was envisaged – primary and adult education, youth work, community development, and social welfare – did not 'postulate specialist skills so much as a readiness to work alongside local people.' (iii) Such service was finding 'for the best of our young people' something useful as well as exciting to do in the difficult transition period between leaving school and entering university or embarking on a career, that is, it is part of a vision of community in which each element and age group had its agreed sphere of responsibility and none excluded or left in idleness or frustration.

The support was forthcoming. Six months hence, in September 1958, the first dozen-and-half 18 ear old school-leavers were on their way to various parts of Southeast Asia and Africa to work in schools, on community development projects, and in youth work. Four years down the line, the programme was expanded to include university graduates and those with professional qualifications. Within eight years of its founding, VSO was receiving up to 75 percent of its expenditure from government grants; it had been incorporated into the official bi-lateral aid budget; and more importantly, had sent just over 2,900 volunteers, over a third of which were from the graduate and qualified programme (Adams 1968: 223–227).

Three decades and over 21,000 volunteers later, this same idea that volunteering can provide a unique personal learning experience is still the basic reason for applying for a VSO posting. In a 1992 study commissioned by VSO regarding the motivations of health sector applicants, it was found that 88 percent had applied because it provided an 'opportunity to do something "different" and personally challenging'. In contrast, only 11 percent said that they had been 'specifically motivated by the opportunity to gain experience which would enhance their career prospects' (The Business Extension 1992*a*, 1992*b*). And just to push home the importance of this idea that VSO literally offers 'socio-psychological services', the production abstract of a 1987 BBC documentary on the charity noted: 'This is not an investigative programme but an illustration, largely through ‘fly-on-the wall’ recordings of how and why people change their lives by offering their services to development projects in deprived parts of the world.’[8]

The common explanation, the affluence–value change theory, thus seems to hold a lot of currency. Post-war prosperity has lead to the emergence of a section of British society that holds postmaterialist values dear: so much so, that the individuals concerned are willing to spend part of their early economically active life in pursuit of them.

## 3. The Affluence–Value Change Theory: A Brief Critique

Despite the completeness and coherence of the affluence–value change theory it does suffer from major short comings. These need to be spelled out as they limit the utility of the theory for understanding the VSO phenomenon. The shortcomings are both empirical and theoretical:

(1) *Empirical*. The primary empirical shortcoming is the manner in which the theory has been corroborated. This has been two-fold. The first is by recourse to ‘associational’ or ‘correlational’ evidence, i.e., the theory is taken to be true because new social movements have grown up alongside affluence. Environmentalism is again the quintessential example that is invoked as evidence: it has been in continual growth since the 1950s and has led to governments of every advanced industrial nation to pass environmental legislation (Inglehart 1981).

The second and more rigorous test of the theory has been by recourse to time-series public opinion data. Once again, Inglehart is the name most commonly associated with this method. He and his colleagues have studied the changing attitudes of Western European publics as far back as the 1950s, tracking the movement of postmaterialist values in and across cohorts. These studies have been largely cross-country correlational studies of political and social opinion across various demographic categories (age, sex, social class). Unsurprisingly, Inglehart and his colleagues found that postmaterialsit values are more commonly found in the younger generations than in older ones; in those born during the ‘golden era of capitalism’ than those born either before (i.e., pre-1950) or after (i.e., post 1975); and that there are ‘socialization effects’, i.e., postmaterialist ideas are communicated within the demographic categories. On the basis of these results, Inglehart and his associates believe the affluence–value change theory is correct on the grounds that: (i) the post-materialist values have persisted for over three decades and are related to specific age cohorts and other social categories (sex, education, occupation, etc.); and (ii) it is possible to correctly predict the values and political opinions of the age cohorts and social categories on the basis of the simple ‘materialist/post-materialist’ binary classification that is at the core of the affluence–value change theory.

While the first method of corroboration is easily dismissed on the grounds that it lacks analytic rigour, being none other than a common-sense or casual observation that confuses association with causation, the second method requires more attention.

Firstly, the fundamental weakness of this mode of corroboration is that it is only a sophisticated version of the first. Instead of associating the new social movements with changes in affluence, it associates the spread of particular values with affluence.

Secondly, the analysis of the results and thus empirical corroboration of the theory have not been carried far enough by Inglehart and his collegues. That is, the opinions have been largely abstracted from the basic unit of the theory, changes in the real economy. Except for a single paper (Inglehart and Rabier 1978), most of the statistical tests concern social (e.g., age, sex, class, educational attainment, occupation) rather than economic determinants of postmaterialism.

The paper that does consider changes in the real economy is, however, very limited in its scope. It is not really a test of the theory itself, but a small part of it: the relationship between economic uncertainty and European solidarity, the latter being the post-materialist value of ‘supra-national orientation’. In this paper, the authors studied public support for the European Community for the period 1954 to 1975 and found that it was positively correlated to the industrial production and negatively correlated to inflation rates. The results, although statistically significant at the 0.05 level, were not particularly strong: the correlation coefficient for support for the European Community and industrial production was 0.253, while for inflation it was a little

[8] Attached to an internal memoranda of 13.03.87 in VSO folder: *PRU, 05.87–12.88*.

stronger at −0.268. Although the authors admit that the magnitudes of the results are fairly week, they try to make up for this by stressing that the directions of the results are in agreement with the theory. As the authors make no further attempt to get behind the simple proposition that economic security (or insecurity) affects the way that we perceive the world and order our preferences, it can only be concluded that the affluence assumption has not been rigorously tested.

Thirdly, testing the theory merely in terms of public opinion misses the essential point about values: they govern actions. That is, the theory has not yet been corroborated on the basis of the relation between a choice as expressed not merely an opinion (or attitude) but in the decision to pursue a particular action or lifestyle, and the elementary economic forces that according to this theory impinge upon these choices. In other words, the affluence–value-change theory readily tells us about the origins and nature of a set of values that a section of post-war society holds, but as yet it has not empirically demonstrated the conditions under which these values will be operationalized.

(2) *Theoretical*. The weakness to be discussed here is in some ways more significant than than those related to the manner in which the theory has been tested, for it concerns behaviour that deviates from economic rationality. As I will demonstrate, if post-materialism is true, then postmaterialists as economic agents behave differently than materialists.

Consider again the choice that we are to investigate: the willingness of an individual to pay on average five percent of his or her economically active life for the opportunity to engage in a quest for identity, subsumed under a broader belief that it can be achieved in an act of ‘service’. According to the affluence–value change theory, decisions to make this choice should be precipitated both in the long- and short-run by increasing economic prosperity. That is, the diminishing marginal utility of wealth can be measured by changes in main indicators of economic welfare. On this basis we would expect VSO as a social movement to expand more rapidly during periods of strong growth in production and national income, rising real incomes, low inflation, and low unemployment, than when the economy is moving into recession. As a formal proposition – let us denote it as our research hypothesis, $H_1$ – we can say that:

> *$H_1$ : the affluence–value change theory predicts that growth of the VSO movement is pro-cyclical, i.e., expansion takes place when the economic opportunity cost is increasing.*

But this is economically irrational. Although there is every possibility that this proposition may be true, there are good reasons to doubt it. Let us consider the problem once again, but this time assume a behavioural constraint: that VSO applicants must, out of necessity, be economically rational. For being in the first quarter of their economically active life, their store of material wealth and human and social capital is unlikely to be sufficiently large to permit them to treat the economic opportunity cost of pursuing a VSO application as negligible. VSO applicants may be an elite of British society (i.e., the 8.5–14 percent of age cohorts who have received a university education or its equivalent)[9], but not *the* (financial) elite that can ignore the opportunity cost (wealth forgone).

Let us assume a further, and innocuous, assumption that in general people are aware of changes in their economic welfare (increases or decreases in real disposable income). In other words, people are aware of the cyclic nature of the economy. For the moment let us accept that there are no grounds to believe that that VSO applicants deviate from the norm in this respect.
Now, although the affluence–value change theory predicts that the class of individuals who are affected by a diminishing marginal utility of wealth will switch to postmaterialist action such as applying for a VSO posting at the point when their economic welfare is at a maximum ($H_1$), they will not do so if they are forced as a matter of circumstance to be economically rational. That decision will be delayed until the economy turns down and possibly is in recession. That is, as a formal proposition – let us denote this as our alternative hypothesis, $H_2$ – we can say that:

> *$H_2$ : economic rationality predicts that the growth of the VSO movement is counter-cyclical, or when the economic opportunity cost is falling.*

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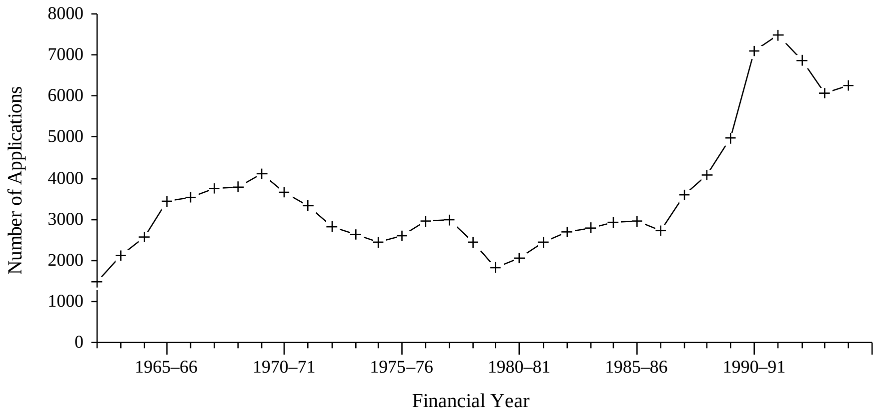
[9] Estimated from Halsey (1988).

*Figure 1: VSO Applications, 1962–1994*




In other words, for the economically rational individual the particular postmaterialist value that is at the heart of VSO – the quest for identity – will remain dormant as an aspiration so long as the economy is prospering in the short-run. But once the economic opportunity cost starts to fall – prosperity is declining – it will be operationalized. The corollary is that *development aid will get its greatest support from postmaterialist cohorts not when the economy is doing well, as the affluence–value change theory predicts, but when it starts to falter.* This suggests that postmaterialist *attitudes* run pro-cyclically (e.g., Inglehart and Rabier 1978; Riffault 1991) but postmaterialist *actions* counter-cyclically.

This criticism strikes at the very heart of the affluence–value change theory, because it contradicts its central tenet: increasing prosperity creates a sense of material security that in turn releases people from their preoccupations with money so that they can switch their attention to 'higher order' (non-material) values (Inglehart 1977). A closer reading of the alternative hypothesis ($H_2$) predicts the opposite: prosperity creates material insecurity because it raises the opportunity cost, viz., we have more to lose.

As it can now be anticipated, the present study concerns the operationalization of a value, and as such its objective is to test the utility of the affluence–value change theory for understanding the VSO phenomenon. A glance at figure 1, should indicate the necessity of such an analysis: in terms of the growth of applications, VSO as a social movement has had a varied history. The variations call for an explanation.

The rest of this paper now concerns developing and testing an econometric model of choosing a postmaterialist action, such as applying for a VSO posting.

## 4. Choosing a Postmaterialist Action: An Econometric Analysis

### 4.1 *Preliminary Considerations*

The analysis that is presented here takes as its starting point the proposition that: *annual applications for a VSO posting can be expressed as a linear function of the changes in the real economy, as measured by the major macro-economic indicators such as national income, the average price level, and unemployment.*

Before outlining the econometric model to test this proposition, it is necessary to first deal with three possible objections that can be levelled at the exercise:

(1) *The exercise is superfluous.* The argument here is that the variations in applications are likely to be endogenous to VSO, i.e., they are a function of the year to year recruitment strategy. In other words, it is not changes in the real economy, but changes in VSO's advertising budget that may be important – applications are a function of 'resource mobilization'.

The point is valid, but only to an degree. VSO itself has been investigating this question for some time, and it seems that while it can manipulate the numbers applying for particular postings through various advertising techniques, the manipulation is limited and in fact only quite recent.[10] As it was noted in an internal memorandum in the autumn of 1987, an attempt to pick out a pattern in the number of enquiries and applications as related to cyclic advertising for the three previous years had yielded nothing.[11] While an earlier review of recruitment strategy in the summer of 1980 had noted that changing the quantity and format of advertising merely altered the qualifications profile of applicants, not the quantity.[12]

Moreover, there are numerous internal as well as one or two publicly accessible documents that are peppered with speculations on how changes in the real economy affect recruitment – although these speculations appear to run in different directions. To take some examples, in the 1977 *Annual Report* it is written:

> How does the unemployment situation affect recruitment? Has it meant an upsurge in applications from such as new graduates or unemployed teachers? The short answer is no – not directly. There is no evidence that we are picking up such people, probably due to our ever more precise recruitment focus. We do suspect, however, that the unemployment situation is an underlying factor in one our main current headaches – the 37% who drop out after being selected and before going overseas (p. 4).

But a year later, in the 1978 *Annual Report,* it is suggested that unemployment depresses applications for postings: '... our efforts will be further hampered by the degree of unemployment in Britain, inevitably leading anyone contemplating work with VSO to wonder whether it will be difficult to find the right job on return' (p. 2).

If we fast-forward more than a decade, we find a collection of memoranda positing a positive correlation between recession and growth in applications. In the late autumn of 1991, there is a note that says: 'Some emergence from the economic recession is expected in 1992 and, on the basis of past experience, this could lead to a downturn in recruitment.'[13] In another, it is written: '… even accepting that history shows recessionary pressure outside produces an increase in applications …'[14] And finally in the spring of 1992: 'The recession is not only increasing enquiries, despite less newspaper adverts …'[15]

The empirical and not just theoretical grounds for the exercise are therefore quite justified.

(2) *Macro-economic variables are inappropriate explananda.* The argument here is that more important than changes in the real economy as measured by the main macro-economic data would be individual or micro-level data. That is, we need to know more about the determinants of choice as expressed by individuals, not as aggregated effects. Such an objection cannot be countered, for it is without doubt correct in principle. Yet, it is only one way of dealing with the problem and besides what I am concerned with here is the *structure of the real environment and its role in choice of action, not personal circumstances per se.* For example, a recent graduate's personal financial situation may be quite dire, but he or she may be confident about their financial future because the job-market for graduates is buoyant or more generally because he or she is aware that incomes are rising, that the consumption is going up; or it might by visa-versa. In this sense, the national economic situation is a principle 'referent' of economic choice and is therefore a legitimate explananda in a model for estimating variations in VSO applications.

(3) *Applications are not necessarily the best measure of the VSO movement.* The argument here is that there are other measures of VSO as a social movement that could be used. These are: (i) those who actually receive a posting and (ii) those who make an enquiry. To the first it can be said that this figure is wholly determined by developing countries: they make the posts available and request VSO to fill them. The number of posts available is also in part a function of the funding available to pay for any travel expenses or any additional training that is required to

[10] Changes since 1987 within VSO which have professionalised the recruitment process has meant that it has been possible to manipulate the enquiry and applications numbers somewhat more than previously. This in fact explains the sudden rise in applications in the late 1980s and early 1990s.
[11] Memoranda entitled 'VSO Enquiries and UNV' (dated as 09.87), in VSO folder: *PRU, 05.87–12.88.*
[12] Internal report entitled 'Recruitment Strategy Review' (06.08.80), in VSO folder: *Working Group on Recruitment Strategy, 07.79–07.84.*
[13] Memoranda (06.11.91) in VSO folder: *PRU, 01.89–12.91.*
[14] Memoranda (08.11.91) in VSO folder: *PRU, 01.89–12.91.*
[15] Memoranda entitled 'Increased receipt of application forms, May 1992, possible reasons' (dated as 05.92) in VSO folder: *PRU 01.92–.*

prepare the volunteer for life working under impoverished conditions. To the second, we can say that enquiries are too 'soft', they involve only the choice to fill-out and return a coupon or make a telephone call requesting further information or an application form. Furthermore, there are two practical difficulties that would have to be confronted even if a reasonable rationale for using enquiries could be found: the first is that VSO have only been recording enquiries systematically since the early 1980s (*Annual Report 1979–80*); secondly, the way in which enquiries have been registered over the years has changed, so there is no consistent data-set available.[16] Annual applications, which have been recorded since 1962, are therefore the only data-set that is a reliable proxy for investigating the dynamics of VSO as a social movement.

Having met these possible objections, there is still an essential qualification to make regarding the use of the applications data-set. This has already been alluded to above regarding VSO's advertising budget. Ideally any model ought to include the proportion of total expenditure spent on recruitment as a control. Unfortunately this cannot be done for the data is not presently accessible in the public domain. VSO's published accounts that are lodged with the Charity Commission only go back to the late 1970s, and only contain a global expenditure item denoted as 'volunteer recruitment and training'.[17] This apparently includes costs of application forms, advertising, training programmes, interviewing, etc. Staff at VSO indicated that it would be wide of the mark to use this data for such purposes as ideally required here. For the sum stated in the accounts can vary substantially depending on how volunteer training is organized (is it internal or out-sourced), but the advertising budget may remain as a constant proportion.

I was further informed to be very careful with post-1987 recruitment data as this year represents a watershed in the charity's recruitment strategy, and one that is largely responsible for the rapid rise in applications over the next three years as well as the subsequent decline after 1993. VSO had finally managed to get a handle on manipulating the applications process through numerous publicity techniques and a substantially increased advertising budget, although as noted above there was speculation that the rise was related to the economic cycle as well.[18]

Thus, seeing as there is no way of controlling for this change either directly or through proxy variables I have decided to estimate the model that will be developed here only for the period up to 1987. For similar reasons, I have also decided to start the estimation in 1965, an earlier watershed in VSO's history as it was the year in which the government bloc grant stabilized at 75 percent of expenditure (within agreed ceilings). The size of his grant had been rising progressively from about 11 percent for the financial year 1961–62 (Adams 1968: 227). One can assume that this was the point that the charity had 'come of age' and was no longer in its initial growth phase. That is, the core constituency would have been reached and diminishing returns on a recruitment drive would have set in.[19] The increased government funds would therefore have been used to support the infrastructure of the graduate and qualified programme and not for a recruitment and publicity drive. Although this assumption is somewhat speculative because of lack of access to VSO's files for the period, if I am erring, it is on the side of caution: for the growth rates in applications for the period either side of 1965–87[20] have never been repeated and therefore could produce a series of outliers that might conceivably mask any of the proposed relationships.

[16] In an interview with Mr John Nurse, currently head of the Recruitment and Information Office, it was explained that in some years an 'enquiry' was taken as any telephone call, returned coupon, or letter requesting further information, while in other years it was only those who were judged to be potential applicants after having been briefly counselled either by letter or on telephone and to whom an application form was sent.

[17] Accounts for the earlier period are not even accessible at VSO, which has not kept an archive.

[18] Personal communications: Dick Bird, 30.07.96; and John Nurse, 07.08.96.

[19] That there is a diminishing return on recruitment appears to be correct in terms of post-1987 developments. The increased applications that may be a result of VSO widening its constituency means that they are picking up 'unusable applicants' who either do not have the appropriate qualifications and work experience or not the personality criteria, i.e., VSO do not want people who consider a posting as principally a step on a career ladder or an alternative to unemployment (John Nurse personal communication, 13.08.96). For example, the number of applicants 'rejected on paper' (not even interviewed) shot up from 13.5 percent in 1988–89 (4,023 applicants) – when records of this data were first kept – to 43.8 percent in 1991–92 (7,477 applicants) (Nurse 1995).

[20] The average annual growth rate between 1962–63 and 1965–66 was 33 percent; between 1987–88 and 1991–92, it was 23 percent.

The nub of the matter is that the 23 year period that has been selected for model estimation has a reasonably good chance of producing a data-set for the dependant variable that is homogenous, both in terms of VSO's constituency and institutional structure.

Having cleared aside these preliminary issues, it is now possible to proceed to describe the econometric model that is to be estimated using an ordinary least squares (OLS) regression.

**4.2 *Formalization of the Regression Model***

The econometric model to be developed has two principle components: (i) a measure of basic economic welfare, that is income, and (ii) a measure of confidence in the economy.

The data series have also been 'detrended' using first differences ($\Delta x = x_t - x_{t-1}$) for two reasons:

(1) It reduces the possibility of spurious association because the variables may be related to each other by a common trend (i.e., by reducing the serial correlation of residuals).

(2) It permits us to formalize the affluence–value change theory in relative terms. This is more appropriate given that income has generally been increasing throughout the post-war era. First differences therefore allow us to measure not only the effect of a short-run change in direction of economic welfare, i.e., an increase or decrease, but also the effect of the magnitude of this change. Although it could be argued that there are more sophisticated polynomial expressions that can be used to detrend the data series used in this investigation, doing so seems quite meaningless in the face of the fact that the independent variables are only small parts of relatively long time-series. That is, polynomial expressions require valid *a priori* reasons for assuming a particular shape to a trend, for which there are none.

Moreover, a polynomial expression for trend would in fact treat 'affluence years' as those years (and only those years) where, for example, observations on real personal disposable income were above a predicted value. In effect the measure of short-run affluence would then depend upon the magnitude – and more significantly, the direction – of the difference from the trend value (itself a theoretical and not empirical value), but not necessarily on the difference from the preceding year (an empirical value). First differences removes this problem.[21]

A brief discussion of each variable and its relation to the general problem posed in this paper is now in order:

(i) *Basic Economic Welfare*

*Real Personal Disposable Income per Capita.* Although Gross National Product (GNP) per capita is the most commonly used indicator of economic welfare I have decided on Real Personal Disposable Income (RDI) as a better measure because it solves some of the problems of conflating national and individual welfare. Moreover, RDI, because it accounts for changes in inflation and taxes is a better measure of 'money in your pocket'. RDI is also a politically sensitive indicator because it is subject to policy manipulations more than GNP. One need only recall that in every recent election there has been a sharp rise in RDI during the quarter in which the election took place – followed by a fall the following quarter.

(ii) *Confidence in the Economy*[22]

*Unemployment.* Unemployment figures are one of the basic indicators that people look at regarding the health of their economy. It is, to put it simply, seen as a bad thing, in the same way that growth in national income is seen as a good one. Another way of looking at unemployment in the context of this analysis is that that the degree of labour market tightness will indicate the likelihood for salaries and wages to rise or fall. But, as I will indicate in section 4.4, below, it should not be considered that VSO is an alternative to unemployment, nor a method of building up skills to improve one's position when labour market conditions are tight.

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[21] This point is important as studies of expectations have shown that people generally have no sense of a 'trend' but base their economic decisions on short-run fluctuations in the national economy (Taylor 1982).

[22] Another way of expressing this is as a measure of 'discomfort'. For example, a 1977 OECD study of the European economies included a 'discomfort index' by adding deteriorations or improvements in performance of unemployment and inflation (Bispham and Boltho 1982: 315). I have not followed this method as I am interested in estimating the separate effects of these two indicators.

*Retail Price Index*. Changes in the average price level is in fact a problematic indicator of economic security and welfare because in the post-war era a slowly rising average price level has gone together with increased prosperity. Yet, as Woodward (1991: 180) has emphasized, on the whole inflation remains deeply unpopular and on more than one occasion may have cost a government a general election (1970 and 1979 being two prime examples). For this reason we can expect inflation to have an effect on the decision to apply to VSO. But again, like unemployment, there are a number of qualifications that need to be made about the nature of the relationship. These will be made in section 4.4, below.

*Net Capital Growth*. The choice of this variable is more or less a proxy for 'economic sustainability', or the belief that there is sufficient man-made capital in the economy to keep it prosperous. The idea, which is outlined in Jackson and Marks (1994: 25–27) is that sustainability is dependant upon constant or increasing quantities of capital for each worker. The use of this variable is done with all the reservations that Jackson and Marks point out regarding the accuracy of the data-set as well as the method of compilation. But in the absence of a viable alternative there is little other choice.

We are, therefore, now in a position to state the specific form of the model to be estimated. It consists of a single linear equation, such that:

$$\Delta \mathrm{VSOAPP}_t = \alpha_0 + \alpha_1 \mathrm{CAPGTH}_t + \alpha_2 \Delta \mathrm{RDI}_t + \alpha_3 \Delta \mathrm{RPI}_t + \alpha_4 \Delta \mathrm{UNEMP}_t + u_t \qquad (1)$$

Given that a model is more than the sum of its parts, so that the magnitude (and even the sign) of the partial slopes and their significance levels can change by including or excluding independent variables, it is possible that the economic indicators used in this model could separately predict applications to VSO. With this in mind I have estimated the component parts of the model, such that:

$$\Delta \mathrm{VSOAPP}_t = \beta_0 + \beta_1 \mathrm{CAPGTH}_t + u_t \qquad (2)$$
$$\Delta \mathrm{VSOAPP}_t = \varepsilon_0 + \varepsilon_1 \Delta \mathrm{RDI}_t + u_t \qquad (3)$$
$$\Delta \mathrm{VSOAPP}_t = \gamma_0 + \lambda_1 \Delta \mathrm{RPI}_t + u_t \qquad (4)$$
$$\Delta \mathrm{VSOAPP}_t = \lambda_0 + \gamma_1 \Delta \mathrm{UNEMP}_t + u_t \qquad (5)$$

(Note: no first difference operator, Δ, for CAPGTH as it is already detrended).

*Table 1: Variable Definitions*

| | | |
|---|---|---|
| VSOAPP | = | Applications to VSO. |
| RDI | = | Real Personal Disposable Income per capita, in £ (1985 prices). |
| UNEMP | = | Unemployment, 12 month average. |
| RPI | = | Retail price index, 12 month average. |
| CAPGTH | = | Net Capital Growth, in £m (1985 prices). |
| Δ | = | First difference operator ($\Delta x = x_t - x_{t-1}$) |
| α,β,ε,γ,λ | = | Regression coefficients. |
| *u* | = | Error or residual term. |
| *t* | = | Trend variable, time |

**4.3 *Data***

The main data sources for the independent variables have been the Central Statistical Office's *Economic Trends: 1993 Annual Supplement* and Jackson and Marks (1994). The VSO applications data was provided by Mr Dick Bird, VSO.

With regard to the VSO applications data, one qualification needs to be made. It has been converted from financial year to calendar year in order to make it consistent with the in independent variables data. I am therefore introducing a small amount of error as it is an estimate based on calculating monthly averages. I believe this to be preferable to the possible errors that can result by effectively lagging the applicants by three months.

*Figure 2: Movement of Rdi per Capita 1965-87*

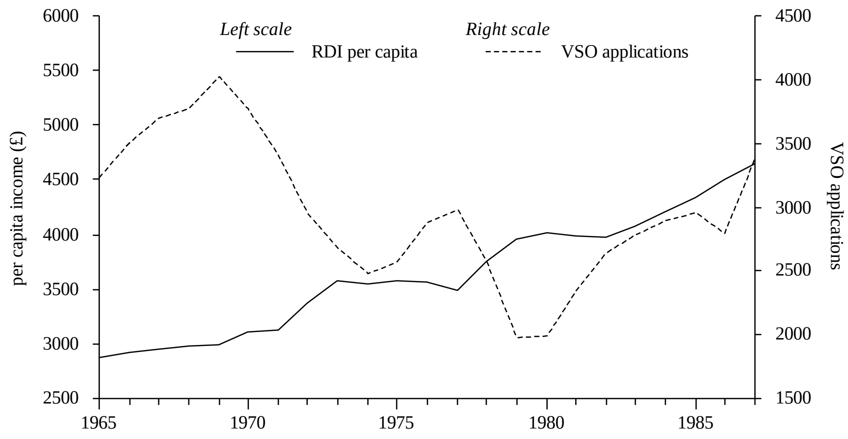


*Figure 3: Movement of Unemployment 1965–87*

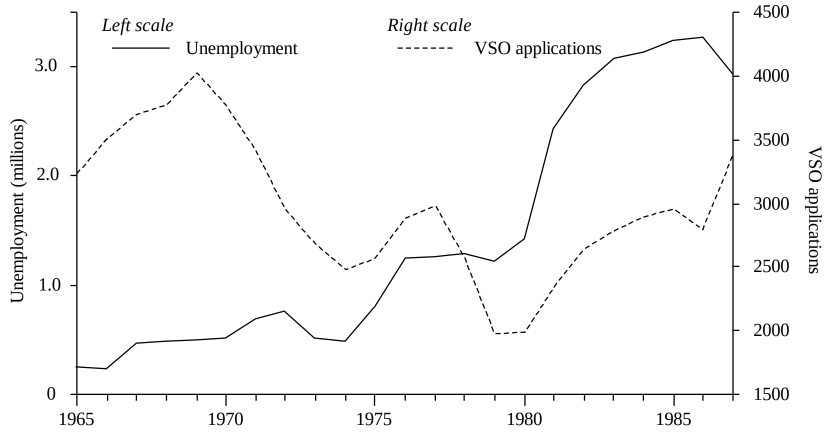


*Figure 4: Movement of Consumer Prices 1965–87*

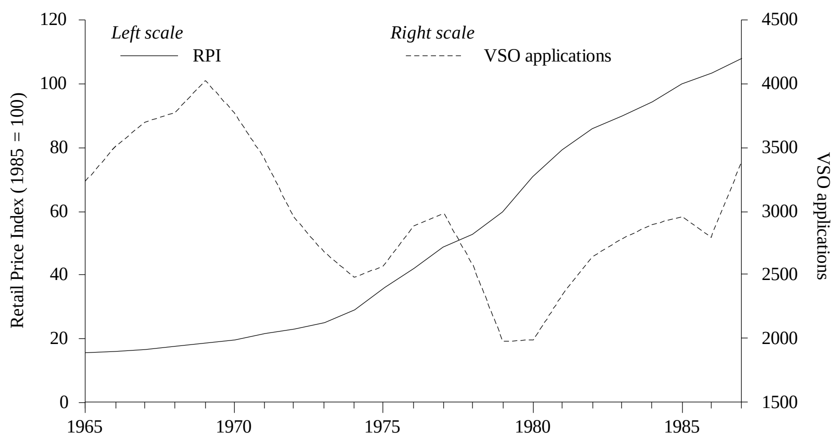

*Table 2: Data Summary*

| (1) | (2) | (3) | (4) | (5) | (6) |
|---|---|---|---|---|---|
| | VSOAPP | CAPGTH | RDI | UNEMP | RPI |
| *Year* | *VSO Applications* | *Net Capital Growth* | *Real Personal Disposable Income per capita* | *Unemployment (12 mth av.)* | |
| | Adjusted to calendar year | £m (1985 prices) | £ (1985 prices) | millions | (1985 = 100) |
| 1965 | 3 229 | 9 079 | 2 871 | 0.276 | 15.70 |
| 1966 | 3 514 | 8 905 | 3 067 | 0.261 | 16.30 |
| 1967 | 3 698 | 10 076 | 3 114 | 0.500 | 16.70 |
| 1968 | 3 770 | 10 154 | 3 182 | 0.517 | 17.50 |
| 1969 | 4 019 | 14 906 | 3 169 | 0.523 | 18.40 |
| 1970 | 3 773 | 16 703 | 3 246 | 0.547 | 19.60 |
| 1971 | 3 414 | 17 192 | 3 240 | 0.724 | 21.40 |
| 1972 | 2 960 | 18 359 | 3 619 | 0.795 | 23.00 |
| 1973 | 2 684 | 26 142 | 3 878 | 0.546 | 25.10 |
| 1974 | 2 480 | 31 020 | 3 893 | 0.515 | 29.10 |
| 1975 | 2 570 | 21 523 | 3 887 | 0.828 | 36.10 |
| 1976 | 2 882 | 20 006 | 3 874 | 1.278 | 42.10 |
| 1977 | 2 978 | 18 439 | 3 746 | 1.286 | 48.80 |
| 1978 | 2 578 | 12 259 | 3 974 | 1.325 | 52.80 |
| 1979 | 1 978 | 4 724 | 4 152 | 1.238 | 59.90 |
| 1980 | 1 995 | 5 512 | 4 134 | 1.444 | 70.70 |
| 1981 | 2 345 | 2 251 | 4 030 | 2.457 | 79.10 |
| 1982 | 2 637 | –2 536 | 4 014 | 2.856 | 85.90 |
| 1983 | 2 779 | –7 795 | 4 117 | 3.105 | 89.80 |
| 1984 | 2 897 | –14 673 | 4 176 | 3.160 | 94.30 |
| 1985 | 2 954 | –10 934 | 4 227 | 3.271 | 100.00 |
| 1986 | 2 794 | –4 772 | 4 108 | 3.293 | 103.40 |
| 1987 | 3 385 | –271 | 3 981 | 2.953 | 107.70 |

*Sources:* By column: (2) Courtesy of Mr Dick Bird, VSO; (3) Jackson and Marks (1994: 41); (5)–(6) CSO: *Economic Trends: 1993 Annual Supplement.*

Table 2, above, is a full tabulation of the data and its sources, while figures 2–4, below, are the time-sequence plots for three of the variables (the annual data for net capital stock as calculated by Jackson and Marks (1994) is not available). The plots have been provided for illustrative purposes only. For example, from figure 3, it is easy to see how a positive relationship between the VSO applications and unemployment can be casually imputed, particularly from the mid–1970s onwards.

**4.4 *Estimation of the Regression Model***

The estimation of the model and the effect of each independent variable is given in tables 3–5 below. But before discussing the actual results, it is necessary to elaborate a little on table 3, which summarises the expected and actual effects of the variables. For the sake of clarity, the following three points should be noted:

(1) The notation in the table is as follows: a '+' represents a positive relationship; a '–' a negative one; and '0' no relationship, i.e., where the regression returned statistically insignificant results.

(2) Attention should also be given the columns headed $H_1$ and $H_2$, which refer to the two formal propositions in section 3, above. As it will be recalled, these propositions are mirror images of each other, and this fact is reflected in the expected effects of the independent variables. The model, therefore, has a peculiar nature: it tests both propositions at once, one negates the other. Of interest is the fact that if the regressions would return no significant results whatsoever, we would have to reconsider both the affluence–value change theory as well as the proposition that economic choice has any role to play in the dynamics of the VSO movement – the basic conjecture of this paper.

Now, to the first variable ΔRDI. Under $H_1$, the strict rendering of the affluence–value change theory, we would expect VSO applications to rise with an increase in income, no matter how it is measured. As it will be recalled, the principle of diminishing marginal utility of wealth means that the better off we become, the more likely we are to apply to VSO. Under $H_2$, economic rationality, this is the reverse not because we do not experience a diminishing marginal utility of wealth, but because our action is constrained by our circumstances: it makes sense to make as much money while I can, and then go away on a ‘rainy day’. In this regard the expectation has prior empirical support from one attitudinal survey carried out by Marsh’s (1977) tests of Inglehart’s hypothesis: he found that that in Britain, at least, postmaterialist values could be held quite happily alongside materialist ones.

For ΔUNEMP, the direction of the relationship to applications for $H_1$ is negative because as the labour market loosens incomes will rise and so the diminishing marginal utility of wealth will again set in. The expectation for $H_2$ is the reverse.

*Table 3: Expected and Actu*

*Dependant variable: VSOAP*

| | $H_1$ |
|---|---|
| CAPGTH | − |
| ΔRDI | − |
| ΔRPI | + |
| ΔUNEMP | + |

*Table 4: Regression Results,*

*Dependant variable:*

| | |
|---|---|
| CONSTANT | 46 |
| CAPGTH | − |
| DRDI | − |
| DRPI | −2 |
| DUNEMP | −1.522 |
| *Multiple R* | |
| *Adjusted R²* | |
| *Standard Error* | |
| *Analysis of Variance, signific* | |
| *Durbin-Watson* | |
| *Runs Test, significant E* | |
| *N* | |

† Indicates test was inconclusive. S
$d_L$ = 0.986 and $d_U$ = 1.785 (Table D

‡ Critical run values in Swed and E
residual) = 12, critical run at 0.05 l
correlation. Since number of runs =
distributed, i.e., no evidence of ser
of the residuals by correlation of
0.670]. There are good reasons to
distributed residuals.

*Table 5: Regression Results, Equations 2–5*

*Dependant variable: VSOAPP* *Estimation method: OLS*

| | Equation (2) | | | Equation (3) | | | Equation (4) | | | Equation (5) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $\beta$ | $t_{calc}$ | $(p)>\|t\|$ | $\varepsilon$ | $t_{calc}$ | $(p)>\|t\|$ | $\gamma$ | $t_{calc}$ | $(p)>\|t\|$ | $\lambda$ | $t_{calc}$ | $(p)>\|t\|$ |
| CONSTANT | 235.34 | 1.833 | 0.0811 | 112.68 | 1.289 | 0.2113 | 39.87 | 0.317 | 0.7543 | 12.08 | 0.156 | 0.8772 |
| CAPGTH | –0.01 | –1.352 | 0.1908 | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| RDI | .. | .. | .. | –1.88 | –2.881 | 0.0090 | .. | .. | .. | .. | .. | .. |
| RPI | .. | .. | .. | .. | .. | .. | 0.21 | 0.008 | 0.9937 | .. | .. | .. |
| UNEMP | .. | .. | .. | .. | .. | .. | .. | .. | .. | 0.00 | 0.156 | 0.8772 |
| *R* | | 0.283 | | | 0.532 | | | 0.002 | | | 0.199 | |
| *R²* | | 0.080 | | | 0.283 | | | 0.000 | | | 0.039 | |
| *Standard Error* | | 332.307 | | | 293.329 | | | 346.465 | | | –0.006 | |
| *Durbin-Watson*† | | 1.003 | | | 0.990‡ | | | 0.870 | | | 0.870 | |
| *N* | | 23 | | | 23 | | | 23 | | | 23 | |

† Significant points of $d_L$ and $d_U$ at 0.05 level: when $n = 23$, $k = 1$, then $d_L = 1.257$ and $d_U = 1.437$ (Table D.5a, in Gujarati 1995).

‡ Although this result failed the Durbin–Watson test, a Runs Test indicated no evidence of positive serial correlation. A further analysis of the residuals by correlation of $\hat{u}_t$ vs. $\hat{u}_{t-1}$ also returned a statistically insignificant result [$(p)>|t| = 0.113$]. There are good reasons therefore to doubt the result of the Durbin-Watson test and thus reject the inference of spurious association due to non-randomly distributed residuals.

But here we require a qualification of the nature of this positive relationship: it must not be thought that we can impute an 'economistic' choice: i.e., it is rational for some individuals to improve their future place in the skills market by seeking a VSO placement. The evidence is strongly against this, for on the one hand VSO not only do not want these people but actually have sought to discourage their application, as is evident from an internal review of recruitment policy in 1980:

> Although we have had a good response to the advertisements we have ended up with some highly professional volunteers, to who we may be 'just another job'. *Perhaps advertising in terms of category would give a better response as far as motivation is concerned.* This is particularly true when we advertise in professional journals (emphasis added).[23]

On the other hand, we must recognise that around 65 percent of applicants come out of a monopoly labour market: the educational system (50 percent) and the National Health Service (15 percent). Both these employers have not generally recognized a VSO placement as a legitimate professional activity, refusing either to give leave of absence and in many cases forcing returned volunteers to drop a salary grade when they start work again.[24] To indicate the problem, one volunteer in the 1960s commented after her stint as a teacher in Malawi:

> It makes me feel like writing to the managers of the school I taught in at home and telling them of the experience that teaching is here. It was because they thought I was wasting my time doing VSO that they wouldn't give me leave of absence for one year (in Adams 1968: 204).

Another example can be found in a 1993 internal memoranda from a working group on recruitment in the health sector:

> Potential volunteers are put off applying to VSO (and other NGOs) because overseas work is not appreciated by NHS or other employers, because they will lose touch with developments in their field and because it might impair professional advancement. IHE/VSO are to initiate a coordinated approach to NHS trust providers and managers with other NGOs and Unions to change their attitudes towards overseas experience. VSO are to ensure appropriate volunteers receive professional publications to prevent them being too professionally isolated and to supply professional/personal profiles for volunteers to maintain whilst overseas.[25]

We must, therefore, accept at face value the 'higher order' motivations for applying to VSO. Applicants have been seeking a VSO posting despite the disadvantages to professional life. Consequently, it is highly likely that unemployment will have no effect upon applications, and on this basis one could argue that the '–' and '+' in the table should be '0', or the variable omitted altogether. I have not done this because I see unemployment in this context as an indicator that people *might possibly* use regarding their confidence in the economy.

The signs for ΔRPI ('–' for $H_1$ and '+' for $H_2$) also require qualification because we must distinguish between normative judgements about a rise in the average price level, and its real consequences. Confounding the two effects could conceivably switch the signs of the expected relationships because inflation has redistributive effects as relative price changes lead to changes in the real value of assets and liabilities. Numerous studies (Piachaud 1978; Foster 1976) have shown how a sudden increase in inflation adversely affect certain sections of society, namely the low income groups and the elderly at one end, and the very rich at the other. In between, the young and higher income groups appear to gain, particularly if they have

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[23] Internal report entitled 'Review of the Recruitment Cycle Strategy' (dated as 1980), in VSO folder: Working Group on Recruitment Strategy, 07.79–07.84.

[24] According to John Nurse, these figures have mostly remained stable throughout VSO's history (personal communication, 07.08.96).

[25] Memoranda of 04.02.93 in VSO folder: *PRU, 01.92 –*.

commitments in owner-occupier housing finance. On this basis, the section of the population that that is likely to apply to VSO could conceivably benefit in the long-run from inflation. Thus we would expect the signs for $H_1$ and $H_2$ to be the reverse of what they are in the table. The argument against this is that on the one-hand VSO applicants are unlikely to actually be in the income groups that most benefit because they are only in the first quarter of their professional life, while on the other hand, they are unlikely to have entered the housing market.

Finally, with regard to CAPGTH, the expected relationship is positive for $H_1$ and negative for $H_2$ for reasons similar to that given for RDI. In other words, the impetus to apply for a VSO posting or remain at home is not only based upon a perceived rise in peoples real incomes, but also on a perception that the actual infrastructure of the economy is improving.

**4.5 *Discussion of the Regression Results***

The actual results obtained from the five regressions are, as mentioned above, given in tables 5 and 6, which includes the most important model fit statistics and two diagnostic statistics:

The following observations should be noted:

(1) In most generals terms, the estimation returned for equation 1 refutes the strict postmaterialist proposition $H_1$ on the basis of the inverse relationship between of ΔVSOAPP and CAPGTH and ΔRDI. No support is given to any speculations regarding ΔUNEMP (which was expected) and ΔRPI. The estimation thus simultaneously corroborates the inverse proposition, $H_2$, that postmaterialist values are operationalized when the opportunity cost in terms of possible income forgone is low.

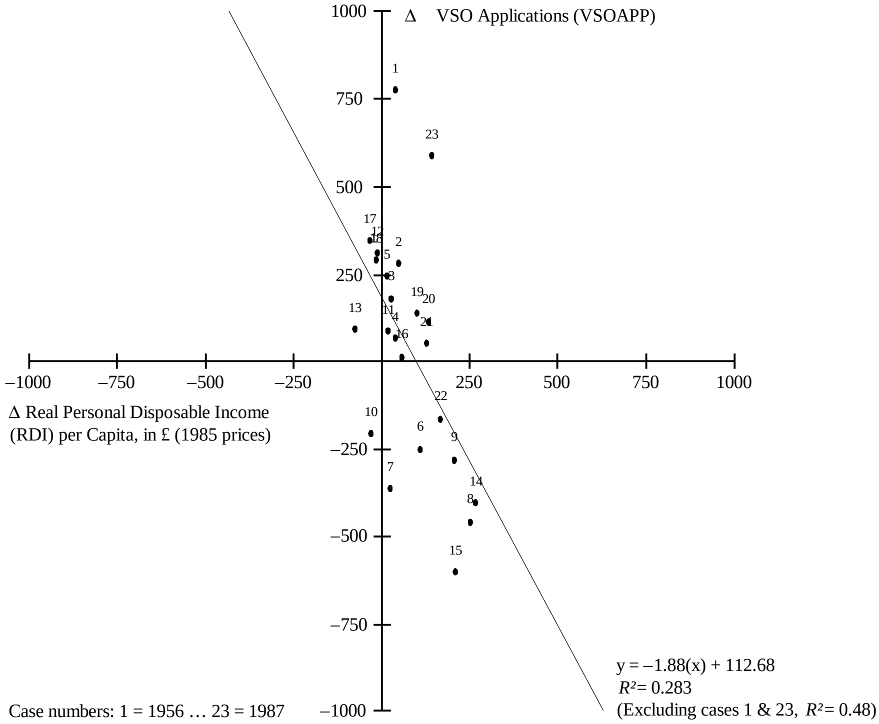
We should also note the coefficient of determination, indicating that the model fit can account for nearly 40 percent of the variations in applications to VSO.

(2) The estimations returned for equations 2 through 5 indicate that we have a robust result: none of the signs on the two significant estimations in equation 1 change, and most importantly there is still a respectable coefficient of determination for equation 3, ΔRDI ($R^2$ = 0.283). The only weakness is of course that the relationship between ΔVSOAPP and CAPGTH is removed.

(3) It will be noted from tables 5 and 6 that the results have been subject to battery of diagnostic tests for spurious association that could be a consequence of serial correlation of the residuals. For equation 1, the returned Durbin-Watson statistic was in the (upper portion of) indecisive region, but the two further tests confirmed acceptance of the null hypothesis (residuals are randomly distributed). For equation 3, the situation is interesting because although the reported statistic failed the test, i.e., reject the null hypothesis, the two other tests reported no evidence of serial correlation of the residuals. Thus, as far as ΔRDI is concerned we can conclude we have a fairly robust estimator of ΔVSOAPP.

(4) Given that we can have a fair degree of confidence in the estimations of equation 1 and 3, we should take note of not merely the sign of the statistically significant relationships, but of their magnitude. Of most interest are the regression coefficients αΔRDI (–2.52) from equation 1 and εΔRDI (–1.88) from equation 3: applications to VSO are highly income elastic for the period analysed. In mere numbers, for equation 1, this says that for every £100 per capita per annum increase in RDI, applications to VSO are reduced by 252; for equation 3, the corresponding reduction in applications is 188. Figure 5 is the scatter plot for equation 3. As for the coefficient αCAPGTH (–0.014), this as one would reasonably expect, inelastic

*Figure 5: Scatter Plot of Equation 3: Regression ofDVSOAPP on DRDI*

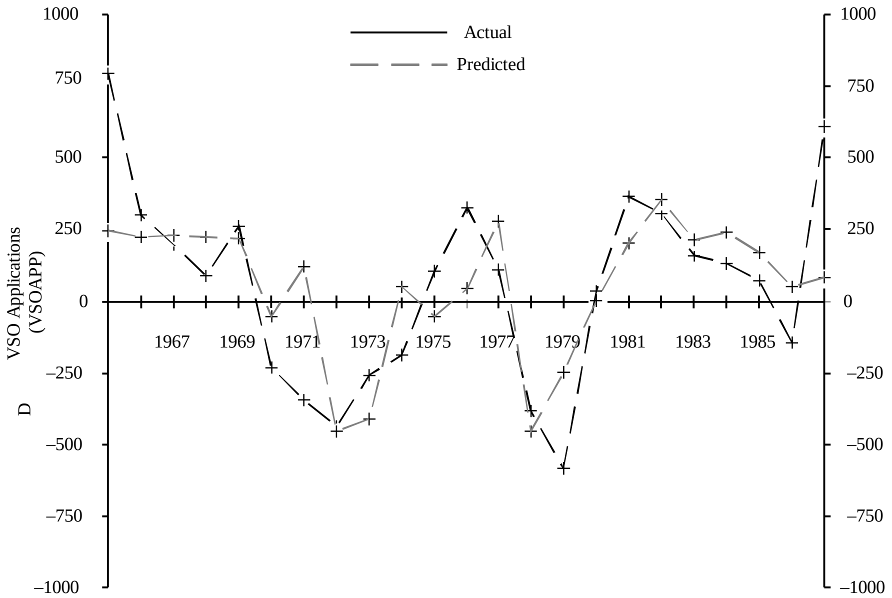



regarding ΔVSOAPP, but a quantitative assessment is in useful: in effect it says that for every £10 billion of net capital growth (equivalent to about the amount of public expenditure on health and education in 1985), applications would have been reduced by 140.

(5) There are two points to note about figure 5 that further justifies confidence in the robustness of the ΔRDI estimator and in an assumption that was made in section 4.1, above, regarding the period of analysis. In the top right-hand quarter there are two outliers, cases 1 and 23, that correspond to the beginning and end of the time-series. Their existence more or less confirms as correct the assumptions I made regarding the choice of cut-off dates (although it appears I was out by a year on either side). As is noted on the plot, if these two cases are excluded and regression of ΔVSOAPP on ΔRDI is run again, the resulting $R^2$ is now 0.48 and the regression coefficient (ε for this equation) is now close to –2. Further, the Durbin-Watson statistic improves (1.34) – although again in the inconclusive region – and the two further tests for serial correlation of residuals (Runs Test and correlation of $\hat{u}_t$ vs. $\hat{u}_{t-1}$) return insignificant results.

(6) There is one last issue regarding serial correlation among the residuals that needs to be made. Given that both equations 1 and 3 stand up fairly well to the tests, it indicates that the models are not incorrectly specified, i.e., there remains no systematic variation left over to be explained by other (possibly non-economic) variables). This is interesting because it calls into doubt any hypothesis that postulates VSO applications to be a function of 'cognitive mobilization' either by the charity itself or by the media – at least for the 1965–87 period that is under the microscope here. If we take a look at figure 6, which plots the contribution of the explanatory variables for equation 1, there are three periods where we would expect to find the highest positive residuals if this were the case. These are in the period of student

*Figure 6: Contribution of Explanatory Variables to DVSOAPPS*




activism and idealism of the late 1960s, particularly 1968 (–33); for 1973 (+147) and 1974 (–241) when there were major famines in western India, the Sahel and Ethiopia – all were events that captured a large amount of media attention and campaigning by Third World groups; and finally between 1985 (–97) and 1986 (–196) in which there was again a major Ethiopian famine with even greater media coverage and specific focus on mobilizing the younger generations to call for political, social, and economic action to end these tragedies.

## 5. Concluding Remarks

In conclusion, I would like to start by pointing out that this paper has been exploratory on two fronts. Firstly, it is a preliminary test of the utility of a rather diffuse explanatory framework – what I have termed the affluence–value change theory – to be able to actually explain the variations in a new social movement. That is, I have subjected the theory to a set to a small battery of tests concerning its ability to predict an action that involves an economic choice. Secondly, I have pointed to a major shortcoming in the way that the theory has generally been corroborated: by recourse to studying peoples social and political attitudes (aspirations?), not deeds. It may be trite, but the old adage, 'action speaks louder than words' was the simple heuristic of this study.

Following such a heuristic has meant, however, that there are serious shortcomings in this present study, two of which deserve mention here. The first is that I have said nothing regarding the analysis of the different forms of charitable giving and volunteering, their history and social meaning. In sum, I have ignored the question about why people apply to volunteer, other than taking at face value the interpretation derived from the affluence–value change theory. A second and related criticism is that I have said little of substance on the origins of VSO itself. In other words, I can be criticised for having abstracted a complex socio-cultural phenomena and reduced it to a series of linear equations and ignored the details of the historical context. The answer to this criticism is that my task was less synthetic than analytic. The paper has been concerned more with a historical conjecture than a concrete history. To put it in another way: the purpose of his study was not to uncover the necessary conditions for applying to VSO, viz., the motive force, but the sufficient or permissive conditions, essentially the 'when' and not the 'if' of a decision.

Let us now return to the main issue: the utility of the affluence–value change theory for understanding the dynamics of a new social movement such as VSO. Although no regression model can ever rule out a theory, because there is always some novel twist that one can add, either through transformations of the equations or finding more data so that 'nature confesses' (with the amount of variance explained in this investigation one cannot rule out a different analysis) the simple estimations reported here force us at least to reappraise the utility of this theory even if we cannot discard it entirely. What we can say is that it appears to be useful as a general explanation of the origins of a movement or change of values, it may even predict patterns of public opinion, but it is severely limited in explaining the variations in growth of a social movement such as VSO. The postmaterialist conjecture may simply be wrong when we are faced with exercising choices that have economic consequences. Figure 5 appears to me to be the stark testomony that economic imperative has with regard to the operationalization of 'higher order values'.

Where does this leave us in terms of interpreting such movements as VSO? For a start, it tells us that at least for the period 1965–87 about 40 percent of its variation were not due to nebulous shifts in sentiment and values, but rather real economic choices. At another level, we see that solidarity with the poor in the developing countries that is more than just vocal or financial is inversely related to short-run changes in affluence. It would of course be interesting to further corroborate the major finding of this study by examining the particular changes in salary and professional conditions of the different occupational groups who apply to VSO. We are fortunate enough that this data in the form of records on 11,000 returned volunteers should be available in machine readable form in the near future and make such a task that much easier.

There is a final conceptual issue that I wish to close on and that is discussed in J.K. Galbraith's (1977) *The Affluent Society,* and also has been an underlying theme throughout this paper. It is that of the nature of economic security. What may be wrong with the affluence–value change theory is its central assumption that the sense of economic security, particularly for the middle classes, is a positive function of wealth. According to Galbraith, the reality may in fact be the reverse – wealth can create insecurity because it raises the opportunity cost. The more we have the more we can lose:

> Thus the notion, so sanctified by conventional wisdom, that the modern concern for security is the reaction to the peculiar hazards of modern economic life could scarcely be more in error. Rather, it is the result of improving fortune – of moving from a world where people had little to one where they had much more to protect. In the first world, misfortune and suffering were endemic and unavoidable. In the second, they have become episodic and avoidable. And as they became episodic and avoidable, reasonable men saw the merit of measures to avoid them and the possibilities for so doing.

This appears to be precisely the problem faced by those who have a propensity to volunteer for development: they choose to go when they have the least to lose in terms of the growth of real disposable income. The decision of when to spend five percent of one's economically active life on 'higher order' activities such as a quest for identity and personal worth appears – at least for the period examined here – to be weighed up in economic terms.

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