

RESEARCH ARTICLE

Socio-cognitive Elaborations and Reactions to Economic Crisis: Insights from Social Psychology

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This special issue dedicated to the social psychological study of the economic crisis in four European Union countries along the Mediterranean includes six empirical papers discussing different aspects of the phenomenon. Four papers are part of a larger project that started in 2011, aiming to compare the social representations of the economic crisis in France, Greece, Italy, and Portugal. Starting from the study of the social representations of the causes of the crisis and the measures to overcome it, various social psychological parameters that interfere are examined. Thus, the political, ideological, and social positioning, and the axiological universe of the participants are considered as important predictors and mediators in the different papers. Additionally, possible political participatory activities in reaction to the crisis are considered. The presentation of the outcome of this research project is completed by a paper analyzing the way the crisis was depicted in the Italian press and a paper looking at the impact of the financial threat to political participation in France. The research presented here reveals the ways social subjects give meaning to a situation of crisis and thus provides social and political insights into social thinking and behavior with important policy implications for individual nations as well as Europe at large. In this paper, we present the general framework of the studies carried out and we introduce the collection of empirical papers of the special issue.

Keywords: economic crisis; social representations; ideology

Investigating the Elaborations of the ‘Crisis’ in Four European Countries: The Context

The recent economic crisis has been an event of dramatic proportion and has posed some major threats to people’s lives. Whereas, on the one hand, the literature has focused considerable attention on the effect of the crunch on European residents’ well being (e.g., Karanikolos et al., 2013); on the other hand, little attention has been devoted to the public understanding of the downturn. We believe that the contribution of social psychology can inform both basic research and public policy in this important topic. Indeed, as stated by Schwartz (2012), government decision makers pay a lot of attention to economic aspects, whereas the ways in which people frame the world should not be neglected anymore.

In this special issue, we present results from studies conducted in four European countries, namely France, Greece, Italy, and Portugal, about the economic crisis. It seems important to describe – even in a synthetic and

brief way – the financial condition of the four countries, in order to make the reader aware of the context in which this research took place.

The four countries have all experienced the consequences of the economic crisis that started in 2008 but at different degrees and with different consequences. Three of them, Portugal, Italy, and Greece (along with Spain), were severely affected in the economic domain as well as in the public perception domain. The acronym ‘PIGS’ derived from their initials and used by the press eloquently describes how they are viewed. Moreover, first Greece and later Portugal were put under the supervision of a ‘Troika’, formed by the International Monetary Fund, the European Bank, and the European Commission, that prescribed severe austerity measures agreed in several *Memoranda* between the countries and their lenders. Greece, in particular, was given a harsh treatment and was described as the black sheep of Europe. Since 2010, Greek governments signed two *Memoranda* that meant austerity for Greek citizens, and the country was subjected to capital controls in 2015 (e.g., Leahy, Healy & Murphy, 2015; Zacune, 2013). Recently, and despite Greeks voting 61.31% against a third Memorandum of Agreement at the referendum of the July 5th, 2015, the government capitulated to the requests of the Troika and signed a new agreement that resulted in the prolongation of austerity and the divestment of public property.

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The appearance of the 'crisis'

The crisis became apparent in 2008 after the collapse of Lehman Brothers in the US because of a financialization process – the creation of substantial artificial financial capital – that started in the 1980s, and of the neoliberal policies of deregulation (Bresser-Pereira, 2010). These policies involved the promotion of the corporate power by the privatization of the public sector and deregulation of financial markets, where taxes, social welfare system, environmental concerns were perceived as barriers to the profit of businesses (Zacune, 2013). To increase their profits, banks and companies increasingly engaged in unscrupulous financial activities that revolved in the so-called 'speculative bubbles' (Crotty, 2009). Such financial activities of misallocation were especially linked to real estate market and derivative instruments of other financial titles. When, in 2007, the growth of the real estate market halted, the housing bubble burst, dragging banks into bankruptcy. Millions of US citizens were not able to pay their mortgages and lost their homes (see e.g., Crotty, 2009; Diamond & Rajan, 2009; Kirman, 2010; Stiglitz, 2009). The contagion from the US spread almost immediately to Europe with interrelated capital flows and financial sectors. The losses were passed onto citizens in the form of public debt, whereas the banks were bailed out. The response was austerity for citizens in order to pay the debts.

Studying lay knowledge of economic crisis: The social representations approach

Economic crisis is a political and social problem as well as a psychosocial issue. These different fields are intersected with reciprocal influences and it is a real challenge for social psychologists to explain the socio-cognitive elaborations at stake in the current crisis. People act according to their material and symbolic resources and their understanding of the crisis. Through different communicational channels, conversations, and also through rumors, information and ideas about the crisis spread across society. The 'crisis' entered the public sphere as a threatening situation. The responses to the economic downturn were presented as a 'state of emergency', a situation beyond normality. Citizens were faced with a new vocabulary including words such as 'spreads' and 'toxic mortgages' and with evaluations of countries by credit rating agencies. In a context where living conditions were rapidly changing, people had to make sense of the new situation, of what 'crisis' meant, and how it could be overcome.

Understanding how abstract notions and problematic issues are disseminated in society into common sense and how they are appropriated by lay knowledge is the purpose of the social representations approach (Clémence, 2001). In a word, studying how the unfamiliar becomes familiar is at the core of the social representation studies (Doise, 1990; Jodelet, 1989; Lo Monaco, Delouvé & Rateau, 2016; Marková, 2015; Moscovici, 1961, 2008; Sammut, Andreouli, Gaskell & Valsiner, 2015). The economic crisis has introduced sudden and decisive changes for individual and collective lives in European societies.

This kind of transformation entails deep modifications in people's daily life, as well as on their understanding of an object like *economic crisis* and on how society functions. Lay knowledge about what is the economic crisis, how to deal with it, and how to react to it are all linked to other symbolic and material relations in society. For example, studies on the social representations of crisis (Galli et al., 2010; Poeschl, Valentim & Silva, 2015), showed that crisis is perceived mostly through negative meanings, like poverty, unemployment, and (lack of) money. But the understanding of crisis is anchored in differences in the people's financial situation. Variations in the descriptions of crisis are associated with different social positions. Only people from 'high-income families seemed to be in a position to refer to the opportunities created by the situation' (Poeschl et al., 2015, p. 8).

In the papers that follow, different questions are asked and answered within this theoretical framework. The first four papers (Papastamou et al., 2018; Poeschl et al., 2017; Mari et al., 2017; Prodromitis, Chrysochoou & Papastamou, 2017), are part of a joint research project that started in 2011, aiming at studying the social representations of the economic crisis in France, Greece, Italy, and Portugal. The other two papers (Rizzoli, Romaioli & Contarello, 2017; Lemoine, Darriet, Kmiec, & Roland-Lévy, 2016) were also focused on European countries touched by the current economic crisis (Italy and France) and they are also informed by social representations theory.

Presenting the special issue

Each of the papers included in this special issue attempts to discuss particular aspects of social thinking and behavior regarding the economic crisis. Some papers make comparisons between countries whereas others present empirical findings in one specific national context. All of them, however, describe and try to further deepen the content and the underlying ideological framework of the lay meaning making of the crisis. They contribute therefore to our understanding of 'why', 'how', and 'now what' of a situation that challenges the constants of individual and social life. In front of a situation like this one, social psychology, by investigating the complex condition of the crisis, contributes to social knowledge and by doing this, returns to the core of its concerns: the demystification of different 'self-evident' beliefs that keep the social order stable by naturalizing and legitimizing its causes and consequences.

The first article by Papastamou et al., tries to understand how people make sense of the crisis by looking at the different 'causes' of the crisis and the 'strategies' put in place to overcome it. It looks at the structure of the causes and strategies in three countries: France, Greece, and Italy. One important finding of this paper is that although the causes have structural equivalence in the three countries, the strategies do not. Thus, it seems that a global communication about the crisis produces equivalent organizing principles of its causes among the three considered countries but not about the strategies to exit. We could speculate that strategies are more linked to the position

of the country and to individual positions as the article by Prodromitis et al. implies. Another important finding of this contribution is the dimensions that seem to organize these causes. Overconsumption, an individualistic cause that blames people for the crisis, is opposed by conspiracy attributions to a global power or to structural inequalities inherent to the system. Thus, it seems that the emerging social representation is organized around issues of power and whether the crisis results from careless individual behaviors or systemic issues. These findings shed light on the results of the other papers in this issue.

The second article by Poeschl et al., focuses on young adults from Greece, Italy, and Portugal. It analyses the influence of a set of factors on the assessment of the efficacy of various forms of actions against austerity measures. The perceived efficacy of actions at least partially explains people's willingness to engage in those forms of behaviors. Because of this, the paper aims to contribute to a better understanding of why people do, or do not, engage in different protest actions. Results indicated that pacific and normative actions are, generally, considered more effective than non-normative and combative actions. Moreover, the more affected the countries are, the more desperate people feel, the more different forms of actions are viewed as effective. Regression analyses showed how the attribution of responsibility for the crisis impacts on the assessment of the efficacy of the actions and highlight the importance of people's representations of the situation.

The third article, by Mari and colleagues, maintains a cross-national level of analysis, by considering Greek and Italian adults. The authors focus their attention on the effects of perceived vulnerability and political self-positioning on lay representations of the economic crisis. Financial vulnerability, as a threat regarding one's own future, impacts on people's understanding of the causes of the crisis, the strategies to adopt for overcoming it, and political participation. Also, political self-presentation on the left-right dimension, as a general worldview to frame and interpret reality, is a consistent determinant of people's explanations of the crisis and intentions to react. However, its role is more complex. Indeed, its relationship with the dependent variables is not simply linear but is better described by a curvilinear pattern. It seems, therefore, that in times of crisis, people who self-position at the center of the political continuum do not behave as moderates, but they tend to show conformist opinions and to express less willingness to change the status quo. Another important finding of this paper concerns the effect of the explanations of the crisis on political participation. Indeed, contrary to findings that indicate that beliefs in conspiracy theories (e.g., Lantian, Muller, Nurra & Douglas, 2016) reduce civic engagement (Jolley & Douglas, 2014), the current research shows that the beliefs that the crisis is due to a global governance plan promote social change efforts through political participation.

The following article, by Prodromitis et al., investigates whether Greek participants' image of the relationship between Greece and the EU relates to their agreement with

a) harsh austerity and the decrease of national sovereignty, b) decrease of the public sector, and c) Grexit measures. The authors found that this relationship is mediated by beliefs about norms of distributive justice and in particular the norm of equity and beliefs of individual mobility and relative position. These results highlight that the perception of asymmetric relationships and status (at an individual or group level) between the national group and the EU, and the distribution of resources, should be taken into account when discussing measures to combat the crisis. An important issue that these results bring to the fore is the notion of 'collective exit'. When people feel that their group (or themselves personally) is in a dominated position, they opt for the abandonment of this relationship (i.e. Grexit) without aiming either to challenge the status quo or to better one's own position. This is a disregarded area in social psychology (that focused on individual exit and individual mobility) and in light of current events, needs further attention.

The article by Rizzoli and colleagues analyzes how the crisis has been portrayed in the Italian press over the years. The findings show differences between the papers of different political orientations in their evolution during the years of the crisis. What stands out is that for the most part, the press portrayed the crisis as an illness from abroad or a natural disaster against which nothing much could be done. The authors explore the process of objectification of the social representation of the crisis through metaphors and show how a situation that challenges people's living conditions can be described in a way that does not challenge the existing system. The image of the crisis is such that it does not require any reaction and induces helplessness. Citizens should wait for the right 'medicine' prescribed by experts or should wait until the natural disaster goes away.

Finally, a sample of French adults was investigated in the article by Lemoine and colleagues. The latter consider the effects of financial threat on the social representation of the economic downturn. Findings revealed that the economic crisis is mainly represented by its outcomes in terms of unemployment. This is especially true for people who were more threatened from an economic viewpoint and tended to respond more emotionally. On the other hand, people who were less concerned with financial problems offered more complex representations of the crisis. Interestingly, the article also shows how perceptions of one's own economic situation and not one's real position affect the perceived financial threat and the consequent willingness to protest. The French sample depicted by Lemoine et al.'s article has a similar attitude to that described in Mari et al.'s: being threatened or vulnerable is not viewed as synonymous with being 'stuck'; instead this factor may motivate people to take action to face a hard situation.

The economic crisis with its humanitarian dimension has an impact on the life of individuals and groups and leads to political and social changes. We believe that social psychology has much to say about the processes involved regarding the understanding of the situation, the

strategies and the actions to overcome it. We hope that the papers of this issue shed some light on these processes and motivate further research.

Competing Interests

The authors have no competing interests to declare.

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