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#### Abstract

### Purpose

In times of crisis, the deterioration of living standards may also have direct consequences on civic culture of people and become dangerous for the health of democracy. The purpose of this paper is to investigate the extent to which the recent economic crisis directly influences the civic attitudes in some European democracies focusing on two questions: how much does crisis exposure affect democratic legitimacy attitudes? And what is the role played by expected social mobility on this effect?

# Design/methodology/approach

Hypotheses are tested using data collected in the Western European countries included in the Life in Transition Survey II (France, Germany, Italy, Sweden and UK). To analyse the civic consequences of crisis exposure and to evaluate the moderating role of expected social mobility, multivariate regressions are conducted. The statistical analysis is performed using the Stata software.

# Findings

The findings show that economic crisis exposure significantly affects civic attitudes. The results confirm that higher crisis exposure is associated with lower civic attitudes. Additionally, the present research rules out the possibility that crisis exposure affects attitudes in a specific way, depending on the expected mobility valence.

# Social implications

To evaluate the moderating factors of the civic consequences of economic crises is important for both academic research and policymakers. Analysing these mechanisms may lead to understand under which conditions it is possible to limit deterioration processes in democratic fabric of a society.

### **Originality/value**

This paper sheds light on the importance of analysing the negative civic effect of economic crisis and on the critical role that the fear of social downgrading plays in determining this effect.

Keywords: Economic crisis, civic attitudes, expected mobility

### Introduction

The impact of the Great recession on the Western world since September 2008 has affected (and it is still affecting) the lives of millions of people, exacerbating problems of social exclusion and phenomena such as unemployment, poverty and inequality (OECD, 2013), with relevant consequences detected at the individual level.

In times of crisis, the deterioration of living standards spreads in a growing part of the population together with pessimism and discouragement for a difficult future. In particular, in the last years, many research studies have pointed out its individual consequences and its negative impact on people's well-being: for example, poor self-rated health (Zavras *et al.*, 2012), unhappiness (Gudmundsdottir, 2013), anger and depression (Ragnarsdòttir *et al.*, 2013), as well as anxiety (Gili *et al.*, 2012). However, in addition to the psychological consequences, evaluating also whether and how different civic attitudes (e.g., social trust, tolerance) are influenced by the recent economic crisis has yet received little attention. Moreover, the relatively scarce empirical evidence is unjustified, considering that previous literature pointed out that the economic deprivation may lead important anti-democratic consequences on public opinion, in terms of political attitudes and participation (e.g., Bermeo, 2003; Rothermund, 1996). In fact, in times of crisis, the diffusion of negative orientations can be determinant to undermine the order and the social stability of some countries, in which the economic systems are already highly stressed by the crisis since 2008. In

particular, previous research points out that a crisis is particularly conducive to frustration if it occurs suddenly after a prolonged period of stable or increasing prosperity, with high expectations internalized by people about their economic future (Davies, 1962). For these reasons, this study aims to evaluate the civic impact of recent crisis in the context of affluent Western Europe, where a prolonged period of economic growth preceded the economic crisis.

Additionally, to date, there are no studies that provide empirical evidence on potential *moderators* of the civic impact of the crisis. In this specific competitive pressure context, in which people experience a generalized and objective economic deterioration, to perceive future as an opportunity rather than a threat may become crucial; furthermore, the social positioning may reflect even more prospects and hopes for future societal attainment. Consequently, in this study it is argued that more attention than is usually given should be paid to the role of the expected social mobility to account for the strength of attitudinal consequences of the crisis exposure. The rationale for this prediction is mainly based on relative deprivation theory, emphasizing the role of subjective comparison processes in distress during an economic collapse: competition feeling may generate social hostility toward other people, mostly when the perspective of enhancing the own future social position (upward mobility) is not present.

The present study aims to address these gaps in the empirical literature by (1) exploring the individual differences in the civic attitudes due to crisis exposure in affluent Europe (within all the five Western European countries surveyed by LiTS II: France, Germany, Italy, Sweden and UK), and (2) examining whether these attitudinal differences are moderated by relative mobility (i.e., whether the civic impact of crisis does vary significantly in relation to different perspectives of mobility). Analysing this mechanism may lead to understand under which conditions it is possible to limit deterioration processes in social and civil fabric.

This article is structured as follows. In the first section, a brief literature review on civic impact of economic shocks, with an emphasis on potential moderating role of relative mobility, is provided. Database, variables and empirical model are described in the method section. The next section reports the results of the empirical tests. The final section concludes with a summary of empirical findings and discusses their implications, briefly exploring possible future research perspectives.

#### Economic change and civic culture in times of crisis

The importance of the connection between economic growth and social and democratic progress is not a new theme in social research. Many studies point out that economic growth, in terms of GDP, has positive consequences that could go beyond the economic and material well-being; according to this view, its effects would not be limited to improving the living standards of a large part of population, but it would also have a positive effect on democratic and civic attitudes. A rapid and large economic growth,

that not only involves a minority of citizens, represents a way to reverse the advancement of the deterioration processes in social and civil fabric of a country (Friedman, 2005).

Many studies have confirmed this view. The assumed positive relationship between economic condition and civism can be traced back to the well-known debates about economic development as a prerequisite of a participant and democratic society (Lipset, 1959; Smith, 1972). Specifically, in order to explain the beginning of the democratization process, the classical thesis of modernization (Lipset, 1960) argues that democracy and good citizenship are favoured by the economic development, so much so that it is argued that dictatorships have more difficulties to politically survive when economic growth is high (Dahl, 1971: 78).

Positive civic consequences of economic growth occurring since the latter often '*fosters* greater opportunity, tolerance of diversity, social mobility, commitment to fairness, and dedication to democracy' (Friedman, 2005: 4). Not surprisingly, when economic well-being and existential security increase in societies, daily life experiences of individuals change, bringing them to give greater weight to goals that were previously given low priority, such as freedom of expression or social tolerance (Inglehart and Welzel, 2005). During a growth phase, the creation of new jobs reduces competition in the labour market and people's attitudes tend to be more tolerant (Kehrberg, 2007); at the same

time, many studies also find that GDP per capita is positively associated with social trust (Knack and Keefer, 1997; Zak and Knack, 2001; Delhey and Newton, 2005). As well as virtuous, the circle can be vicious. Previous research stresses the importance of investigating whether and how intense economic events, as crises and recessions, may have an impact on public opinion. In reference to the Great Depression of the early 1930s, it has been argued that macroeconomic shocks are 'beliefs-twisting events' (Cogley and Sargent, 2008), and that economic crises have persistent effects on attitudes causing a pessimistic orientation for a long time (Friedman and Schwartz, 1963), with slightly stronger effects for people who suffered more during periods of hardship.

Such as economic growth promotes optimism, greater openness, tolerance and democracy, at the same time economic deterioration can adversely reshape the civic culture of a community. According to this view, several studies have investigated the civic and democratic impact of sudden and unexpected material deteriorations, such as those resulting from an economic crisis. It is reported that a popular reaction to an economic crisis can become dramatic and significant (Lindvall, 2013). In times of crisis, people could turn their backs to democracy (Bermeo, 2003) and the economic distress generated by crises may produce 'combustible potential' (Achen and Bartels, 2005: 34) capable of triggering sociopolitical change. Several studies investigate political attitudes, confirming that these macroeconomic events may affect trust in political

institutions and incumbent government (McAllister, 1999; Mishler and Rose, 2001; Ross and Escobar-Lemmon, 2009), generating anti-democratic consequences (Cordova and Seligson, 2009; Graham and Sukhtankar, 2004; Armingeon and Guthmann, 2014). In this regard, it is also argued that the rise of the totalitarian regimes antecedents to World War II are connected directly to the legitimacy crisis of capitalism, triggered by the global economic depression of 1929 (Rothermund, 1996).

At the same time, beyond the potential decline of political legitimacy, democratic risks induced by economic crises may also concern the civic culture in general (Friedman, 2005). It is stressed that the loss of social capital - in terms of social cohesion and community spirit - is closely linked to the worsening economic situation. For example, Besser *et al.* (2008), using longitudinal data on nearly 100 small towns, demonstrate that even small economic shocks are harmful to the residents' quality of life and social capital. At the same time, another study shows how during the recent economic crisis the bridging social networks (e.g., neighbours, co-workers) may erode, while the bonding ones (e.g. family and close friends) may become even stronger (Iglic, 2014). The erosion of generalized trust coincides with stronger trust in familial network, which offers social support against uncertainty and distress (Iglic, 2014). This result confirms the importance of material security for the development of bridging social capital. After all, communities and nations with better social capital and trust respond to crises and transitions more happily and effectively (Helliwell *et al.*, 2014).

While material well-being enables a positive view of the world where socialising with others creates life opportunities, in times of economic recession socialising is not seen as providing new opportunities (Knack and Zak, 2002; Rothstein and Uslaner, 2005). In particular, the negative attitudes typically increase when the economy contracts and unemployment expands (Fetzer, 2000; Kehrberg, 2007); in times of recession, higher perceived competition is associated with increased hostility towards immigrants (Zolberg, 1991), leading to the rise of the social conflict and to the crumbling of the solidarity (Iglic, 2014).

In sum, the literature review set forth here indicates that most of the previous studies suggest potential democratic risks due to the economic shocks, investigating more frequently political attitudes than civic ones. Additionally, most of those studies focus on single-country case and on South American and Asian countries, who experienced significant economic recessions in less recent years (e.g. Remmer, 1991; Davis and Langley, 1995; Hayo, 2005; Turner and Carballo, 2005). However, the study of political consequences of the recent crisis is becoming increasingly important also in the established Western democracies (e.g., Armingeon and Guthmann, 2014; Teixeira et al., 2014; Pappas, 2014; see also Bermeo and Bartels, 2014). The present study attempt to address this gap of knowledge by focusing on civic attitudes, and by investigating the impact of the crisis in a sample composed by affluent Western European countries.

recent crisis exposure significantly affects the civic attitudes, in addition to the main sociodemographic and socioeconomic characteristics; in particular, those who experience higher crisis exposure are more likely to report anticivic attitudes (Hp1). The rationale for this hyphothesis is that the material worsening may increase the sense of frustration and dissatisfaction, producing a disruption in social norms and values that are central to social cohesion. As stressed later in the methods section, this general hypothesis is particularly appropriate for the specific context of affluent European countries, who have experienced both relatively high levels of democratic legitimacy and relatively high levels of well-being, before the onset of the recent recession.

# The moderating role of expected mobility

To date, little is known about the civic effects of the recent economic crisis, but the mechanisms through which crises may more specifically influence the civic attitudes remain even more unexplored. This study hypothesizes that the way in which individuals evaluate their future social trajectory, compared to others, may be the crucial mechanism underlying a potential civic 'recession'.

In fact, with reference to expected social mobility, there are at least two potential ways to react to crisis exposure. On the one hand, though a person does experience objectively downward material change, he may view it as a temporary situation because of private knowledge about skills and plans that will improve his situation in the future. At the same time, he may perceive his material worsening as a common condition in times of crisis, to the point of not evaluate his social positioning as decreasing, but stable or even increasing. In those cases, regardless of the current position, upward expected mobility and the perception of abundant opportunities lessen frustration and the feelings of deprivation and injustice (Wegener, 1991).

On the other hand, the emergence of a generalized feeling of economic insecurity may become fear of social downgrading. A sudden recession may lead individuals to evaluate that the crisis has harmed them more than other members of the society. Consequently, crisis exposure could lead to anticivism, mainly when it is accompanied by perception of social downgrading, which facilitate the spread of generalized social anger mixed to anxiety. This framework of competitive pressure could be rooted in a perspective of downward expected mobility and in a consequent perception of unfair disadvantage, compared to others in society.

This argument is supported by more general sociological approaches to 'relative deprivation', which claim that the subjective reality of individuals is more significant to them than their objective reality (Runciman, 1966). Moreover, in times of crisis, in presence of a generalized objective downgrading of material conditions, subjective comparisons may become even more significant (Ragnarsdòttir *et al.*, 2013). More specifically, how people perceive their situations in comparison to salient reference

> points may create feelings of relative deprivation (Crosby, 1976; Smith *et al.*, 2011), influencing the effects of objective economic hardship on attitudes. Additionally, literature also stresses the significant role of valence of social mobility

(upward vs. downward) in terms of legitimacy toward the system. For example, building on the relative deprivation theory, Krahn and Harrison (1992) find that people who perceive a social downgrading during a recession indicate more support for government redistribution, triggering grievance toward the social order. At the same time, people who experience upward mobility are less likely to justify anticivic behaviour, as tax evasion (Daude and Melguizo, 2012), and tend to legitimize the system that will allow them to move ahead (Scalon and Cano, 2008). It was also shown that the experience and expectation of upward mobility may contribute to the social and political stability (Zhiming, 2013) developing generalized political trust.

Consequently, expected social mobility may then reflect processes that explain its influence on the issue of how crisis exposure comes to be translated into civic attitudes. The expected mobility may modify the civic effects of crisis exposure, acting on some of the harmful psychosocial consequences of being exposed to competitive pressure situations, as the sense of unfairness or the anger toward other people. For individuals who are more heavily exposed to the crisis, but predict upward mobility, a better perspective for the future may help to cope with the stress and fear of having lower

social status. At the same time, individuals who failed to improve their lot may be civically disengaged when they expect also to experience downward relative mobility. Applying these insights to the study of civic consequences of crisis, it is hypothesized that *expected mobility significantly interacts with crisis exposure to influence civic attitudes, and that the effect of crisis exposure on civic attitudes critically depends on the expected mobility. In particular, the perception of upward mobility is likely to have a compensatory effect, significantly neutralizing the negative civic impact generated by crisis exposure (Hp2).* 

### Methods

As previously seen, many studies investigated how economic and material conditions may influence beliefs and attitudes. However, this rapidly expanding empirical literature has so far treated the economic status mostly from a static perspective and failed to consider the effects of dynamic changes in one's status, either realized or anticipated. In fact, changes in economic conditions might be more relevant than absolute levels of economic status with regard to understanding of civic attitudes. This dynamic formulation is particularly useful in times of economic crisis, when severe shocks can suddenly affect personal as well as national economic conditions. Following this logic, a marginal pre-crisis social position could remain constant without changing civic attitudes, and it is only if sudden changes in economic conditions occur that attitudes change (Billiet *et al.*, 2014).

A strict test of this dynamic argument would ideally require analysing longitudinal survey data during the crisis. Unfortunately, such data sources are unavailable at present. This study adopts a different approach, confining itself to the analysis of data from a single time point (namely the 2010 round of the LiTS) and using retrospective and perspective measurements that record individual changes in socioeconomic conditions. Thereby, the approach of this study allows to examine relative changes rather than absolute levels of material condition, studying the latter as the result of *social trajectories*, realized (crisis exposure) and anticipated (expected mobility).

# Data

The hypotheses are tested using data of Life in Transition Survey II (LiTS II). LiTS II, conducted jointly by the European Bank for Reconstruction and Development and the World Bank in late 2010, surveyed almost 39.000 households in 34 countries to assess public attitudes, well-being and the impacts of economic and political change. As reported in the LiTS II report (EBRD 2011), one of the main reasons to conduct the survey was to see how attitudes, beliefs and values had been affected by the crisis. In particular, the survey provides vivid evidence of precisely how lives are objectively affected by the global economic crisis and its aftermath; additionally, many subjective

questions about attitudes and values have been asked. For this combination of data, besides using data collection methods and systems of measurement known and acceptable<sup>1</sup>, the LiTS II represents a both valid and reliable dataset for the research questions that the current study seeks to address.

The countries surveyed in LiTS II were mainly the "transition" countries in the former communist East: the Baltic states, Central and South-eastern Europe, and the Commonwealth of Independent States. Additionally, for the first time, the coverage also included five Western European countries with advanced market economies: France, Germany, Italy, Sweden and the UK. The joint sample (N = 5.504) of these five countries is selected for analysis for two main reasons. Firstly, as previously reported, the empirical model of this study assumes particular suitability in the context of affluent European countries because they have experienced high levels of economic growth and increasing prosperity before the recent economic recession, with high expectations internalized by people about their economic future. Secondly, the choice to focus on Western European countries also guarantees a sample composed of a relatively homogeneous group of countries, distinguishable from the other ones surveyed in reference to both the similar initial impact of the economic crisis and the level of democratic and civic maturity. As a consequence, also considering the results of the literature review, it is expected that research hypotheses are significant in the five Western European countries surveyed, going beyond a country-specific context.

#### Dependent variables

Following Inglehart and Welzel (2005), this study uses two main approaches to define and measure the components of the civic culture: the communitarian approach (or social capital approach) and the human development approach (or emancipative approach). Both such approaches follow the tradition of civic culture school, emphasizing that a broader set of civic attitudes and values are important in strengthening democracy. The first one emphasizes citizens' loyalty to the rules of good conduct and generalized trust as fundamental orientations that support civic culture in a democracy, the second one emphasizes self-expression and emancipative values based on civil liberty and tolerance as central for society's democratic quality.

*Communitarian approach.* Following the communitarian approach, the anticivic impact of economic crisis may be evaluated by its influence on two attitudes: antinormative tendency and generalized distrust. The first one aims to measure the removal by the attitudes toward the role of the citizen in the public system, as a shared set of social norms (Almond and Verba, 1963); it may be operationally defined as a tendency to accept the legitimacy of some antinormative behaviours. Specifically, a battery of seven items is used (e.g., 'Making an exaggerated insurance claim', 'Paying cash with no receipts to avoid paying VAT or other taxes'), preceded by the following sentence: 'Some people think that certain behaviours are always wrong, whereas other believe that there are occasions when breaking the rules may be justified. How wrong, if at all, do you consider the following behaviours to be?' ('not wrong at all' = 0, to 'seriously wrong' = 4). The composite index is operationalized as the count of 'not wrong at all' or 'a bit wrong' responses.

Generalized distrust is the attitude indicator more reliable to measure the absence of social capital at the micro-level, and it is widely accepted in the literature as a barometer of the health of democracy (Putnam *et al.*, 1993; Putnam, 2000). In order to measure generalized distrust, respondents are asked about their level of trust toward people in general: 'Generally speaking, would you say that most people can be trusted, or that you can't be too careful in dealing with people?' (1 = complete distrust, 5 = complete trust). *Human development approach*. Compared to communitarian approach, the human development one does stress the civic importance of postmaterialist and emancipative values centred on human choice, emphasizing civic culture in terms of respect toward other people and their rights (Inglehart and Welzel, 2005). Consequently, the effects of crisis exposure are evaluated using two further indexes: intolerance and ethnic hostility. Intolerance index gauges the degree of prejudice that respondents have for individuals that are different from him/herself. Respondents are asked to mark those groups of people that they would dislike having as neighbours (mention = 1, otherwise = 0). The groups to choose from are 16 (e.g. homosexuals, drug-addicts, poor people, people of a

different religion, etc.) and the final index is operazionalized as the sum of selected groups.

Ethnic hostility is constructed based on three items regarding respondents' views about the presence of other ethnic groups: 'People from other ethnic groups are enriching the cultural life of our country', 'The presence of people from other ethnic groups is a cause of insecurity', 'The presence of people from other ethnic groups increases unemployment' (1 = strongly disagree, 5 = strongly agree). Confirmatory factor analysis shows that the three indicators adequately capture one single factor. The final index is the mean of the three items, where higher scores reflect maximum ethnic hostility.

### Independent variable

*Crisis exposure.* The crisis exposure is assessed by using the responses to the following question, present in the section of the LiTS questionnaire entitled "Impact of the crisis": 'In the past two years, have you or anyone else in your household had to take any of the following measures as the result of a decline in income or other economic difficulty?'. This is followed by a battery of 19 behaviours (e.g., 'Reduced consumption of staple foods', 'Stopped buying regular medications', 'Reduced vacations') in which exploratory factor analysis shows the presence of several factors (e. g., payment default, reduced consumption of basic goods and services, etc.). However, the goal is not to assess the role played by different types of hardship, but to quantify the extent of the

material lifestyle change because of limited economic resources. Consequently, also considering that the final reliability index does not vary even when the less-correlated items are omitted, all the listed items are included. The composite index is operationalized as frequency of carried-out behaviours, measuring not a static material status but a fundamentally dynamic lifestyle change<sup>2</sup>.

#### *Moderating variable*

*Expected mobility.* In order to measure the expected mobility, as potential moderator and resource to avoid negative civic effects of crisis exposure, it is used a composite index. People are subjectively mobile if they perceive their own future place in society as higher or lower than the current one.

Two self-placement questions are used to construct a composite index. The first question asks the respondents to assess their current socioeconomic position with respect to the people in their country: 'Please imagine a ten-step ladder where on the bottom, the first step, stand the poorest 10% people in our country, and on the highest step, the tenth, stand the richest 10% of people in our country. On which step of the ten is your household today?'. The second question measures their expectation about future position: 'And where on the ladder do you believe your household will be 4 years from now?'. The difference between the second answer and the first one does reflect the

balance of expected mobility in the near future (a positive score means a more ascendant mobility, a negative score means a more descendant mobility).

### Control variables

Models are assessed using linear regression analyses and controlling for potentially confounding variables: gender, age, educational level and occupational status and country. Gender is a dummy variable with the value 0 for women and 1 for men. Participants are categorized by age into three groups: young adults (ages 18-34 years), middle-aged adults (ages 35-54 years) and older adults (aged older 54). The educational level is dichotomized into lower (lower secondary education or less) and higher (upper secondary education or more). Occupational status is recoded into three categories: employed, unemployed, other (not working category that includes students, homemakers and retired persons).

# The empirical model

The empirical model is summarized in Figure 1. First, the general hypothesis (Hp1) states that life conditions worsening (level of crisis exposure) may increase anticivic attitudes: antinormative tendency, intolerance, social distrust, ethnic hostility. These effects are tested by controlling some sociodemographic and social status characteristics potentially related to the level of crisis exposure: sex, age, educational level and

occupational status. Additionally, to control for variation across countries, standard errors of the models have been clusterized by country, becoming robust to heteroscedasticity and autocorrelation<sup>3</sup>.

Second, it is hypothesized that expected mobility may play a compensatory role in moderating the effects of crisis exposure on civic attitudes (Hp2). Following Baron and Kenny's (1986) model of moderation, in a second step civic attitude is regressed on crisis exposure (the predictor) and expected mobility (the moderator), followed by their interaction term (crisis exposure by expected mobility). A moderator effect is present if the interaction between moderator variable and predictor variable is significant while the independent effect of each is statistically controlled (Baron and Kenny, 1986). To test such a moderation prediction and to validate the model's reliability, the same regression analyses are performed on each of four civic attitudes.

#### -- FIGURE 1 AROUND HERE --

# Results

#### Communitarian approach

The communitarian theorists emphasize social trust and citizens' loyalty to the rules of good conduct as the fundamental attitudes that sustain the civic culture in a democracy (Inglehart and Welzel, 2005). As indicated in the methods section, for this purpose two

indexes are calculated: antinormative tendency and social distrust. Table 1 presents the results of the linear regression models. In support of the hypothesis (Hp1), results indicate an effect of crisis exposure such that more crisis exposure is associated with lower civism. As shows table 1, controlling the sociodemographic and social status characteristics, crisis exposure is significant in each one of the two models 1 ( $\beta$  = .039 and p < .05 for antinormative tendency,  $\beta$  = .129 and p < .001 for generalized distrust). In particular, increases in crisis exposure are associated with increases in antinormative tendency and generalized distrust.

# -- TABLE 1 AROUND HERE --

Most importantly, it is hypothesized that expected mobility would moderate the impact of crisis exposure on civic attitudes. For this reason, the crisis exposure by expected mobility interaction for each attitude are introduced in models 2 (also including the main effect of expected mobility). Table 1 shows that the interaction effect is significant only on generalized distrust ( $\beta = -.070$  and p < .001) but not on antinormative tendency (p > .05). For generalized trust, the addition of the interaction term to the model yields a significant contribution to the regression equation (p < .05). This finding indicates that expected mobility is a moderator of the crisis-distrust relationship. The direction of the regression coefficient for the interaction term is negative and shows that, as expected mobility increases, the strength of the crisis-distrust relation significantly weakens. As regards the communitarian approach, these findings are in line with the expectations, which means that hypotheses Hp1 (for both attitudes) and Hp2 (only for generalized distrust) are not rejected.

#### Human development approach

Following the human development approach, emphasizing post-materialist and emancipative values centred on human choice, the impact of the crisis in civic culture is measured in terms of lack of respect toward other people, through two additional indexes: social intolerance and ethnic hostility.

To analyse the consequences of crisis exposure and the moderating effect of expected mobility, reference may be made to table 2 showing the same multivariate test presented in table 1. In the two models 1, the analysis presents results that are similar to those shown earlier, using the communitarian indexes: both human development indexes are positively related to crisis exposure. In particular, controlling the sociodemographic and social status characteristics, increases in crisis exposure are found to be associated with increases in intolerance and ethnic hostility ( $\beta = .090$  and p < .001 for intolerance,  $\beta = .085$  and p < .001 for ethnic hostility).

#### -- TABLE 2 AROUND HERE --

In both models 2, the crisis exposure by expected mobility interaction term is statistically significant ( $\beta$  = -.030 and p < .001 for intolerance,  $\beta$  = -.027 and p < .05 for ethnic hostility). Also in this case, the negative valence of the interaction coefficient shows that, as upward mobility increases, the strength of the crisis effect on attitudes weakens.

In summary, crisis exposure does have a direct effect on each of the four civic attitudes, controlling for sociodemographic variables. Additionally, on three of four analysed attitudes, the crisis-mobility interaction term is statistically significant. To better interpret the interaction effect, a categorical index is used to distinguish respondents into three mobility groups: no mobility (a future positioning identical to the present one), ascendant mobility (a future positioning higher than the present one) and descendant mobility (a future positioning lower than the present one). In figure 2 are plotted the predicted margins of civic attitude by crisis exposure and type of mobility, while controlling for sociodemographic and social status variables. As the figure shows, crisis exposure is more predictive of anticivic attitudes to the extent that expected mobility is descendant. The effect of the social downgrading does appear to be present on each of four civic attitudes (even though it is not significant, like on antinormative tendency), and it is significantly higher on generalized distrust and intolerance. As the

citizens evaluate future mobility as worsening, their civic attitudes significantly decrease in relation to the crisis exposure level. In other words, people exposed to the crisis develop anticivic attitudes of social hostility toward other people, mostly when the perspective of social downgrading is also present. At the same time, when citizens prospectively evaluate their future mobility as ascendant, their civic attitudes tend to be independent of crisis exposure level. Consequently, this result is consistent with the idea that the prospective of upward mobility does play a *compensatory* role in attenuating the effects of crisis exposure on anticivism. On the contrary, the perspective of social immobility does not have a clear moderating role, tending to be more similar to descendant mobility on communitarian attitudes, and more similar to ascendant mobility on human development attitudes.

#### -- FIGURE 2 AROUND HERE --

#### **Discussion and conclusions**

Previous research on attitudinal consequences of macroeconomic events, as economic crises, has been concerned predominantly with political attitudes, and little research has investigated the civic attitudes. Additionally, to date, no prior work has investigated variables moderating the impact of the economic crises on civic attitudes. The present

study attempted to address this gap of knowledge by focusing on civic attitudes, and by investigating expected relative mobility as a potential moderating variable.

Firstly, in line with the previous empirical evidence stressing the presence of democratic risks in times of crisis (e.g., Bermeo, 2003; Turner and Carballo, 2005; Remmer, 1991), the results of this study shows that the recent economic crisis is able to provoke a 'crisis' of civism in the European countries surveyed. These effects are relatively strong for both approaches of civic culture, the communitarian approach and the human development one. Specifically, consistent effects are observed in all civic attitudes evaluated: increases in crisis exposure are found be associated with increases in antinormative tendency, social distrust, intolerance and ethnic hostility.

Consistently with previous literature, the rationale for this result is that the material worsening generated by crisis may increase the sense of frustration and dissatisfaction, producing also a disruption in social norms that are central to social cohesion. In particular, a material shock may have destructive effects on social integration when feelings of fear are diffuse, and future risks and costs related to the shock are not perceived as equally distributed. In relation to this point, a significant level of crisis exposure may not be enough in order to trigger anticivic consequences, if it is not also accompanied by a competitive social pressure mechanism.

Secondly, following this view, it was expected that future mobility would moderate the impact of the crisis on civic attitudes. The analyses provide clear, albeit preliminary,

support for the moderation hypothesis, showing that expected relative mobility influences the strength of the crisis-civism relationship. These results then confirm that expected mobility may become a key factor in times of crisis (Ragnarsdòttir *et al.*, 2013): when actual material conditions become worse than in the past, future perspective plays a role even more significant on perception of well-being and satisfaction.

The impact of the crisis appears to be particularly high for people with downward mobility, with the coefficient associated with civic attitudes always statistically significant. This indicates that a civic 'recession' may also occur among those who do not belong to civically marginal groups, in the event that they are uncertain and afraid of their future social position. By contrast, such impact is not significant in people that expect upward mobility. The perspective of upward mobility works as a protective barrier from the fraying of social fabric generated by the economic crisis, strengthening the social ties of people and their loyalty to the community (Scalon and Cano, 2008). In other words, when hit by the crisis, people will turn against the social coexistence

norms (e.g., tolerance, social trust) in place all the more if they cumulatively perceive also their future position to be downward mobile. On the contrary, people would be willing to accept a significant fall in living standards if they could move up compared with other people (see Layard, 2005). As a consequence, it is not only important what you get today than yesterday, but also where you think you might end up tomorrow

compared to others. Even a large drop in the standard of living may not trigger much 'social anger' and sense of unfairness if individuals think that the crisis in perspective harms them less than most others.

Beyond individual differences due to personality traits (pessimism, fear, etc.), evidence relating to expected mobility suggests that the impact of the crisis on civism may be context specific. When the economy stagnates and material goods become scarcer, the perception that those goods are locked in a zero-sum game becomes more intense, leading to intensify levels of social competition, as if to say: 'Mors tua, vita mea'. Future perspective may then depend on the duration and severity of the economic recession, and consequently by the type of austerity measures or by significant social protection schemes introduced by the government. The findings may provide a clue as to why economic crises sometimes have only weak civic effects, thus also allowing to draw policy implications from such research. Firstly, a policy which raises the income of the population in relatively smaller extent, but continuously and providing new opportunities for individuals, may induce higher expectations of mobility. At the contrary, a large but single raising in income, without future prospects of further increase, generates more increase in uncertainty than a smaller but permanent income raising, with prospects confirming future improvements. Secondly, the results of this study show that crisis exposure is civically dangerous when also accompanied by a competitive social pressure mechanism; as a consequence, a policy able to constantly

decrease the level of socioeconomic inequality, increasing the public perception of social justice, may limit risks of deterioration of civil fabric in hard times. Thirdly, the level of expected upward mobility might also be a correlate of trust in political institutions and in the country system in general. In countries where the confidence of the citizens in the institutional capacity to resolve the crisis is lower, the hope in the future is less widely present and many people reckon that they cannot expect further improvements. Consequently, a civic 'recession' may be limited not only by specific economic and social measures, but also by the wide diffusion of specific political attitudes, as political trust.

However, the current study has some limitations that need acknowledgment. Firstly, by performing empirical analysis using four different civic attitudes, this study provides a robust assessment of the relationship between crisis exposure and civic attitudes. Although the replication of our findings across a range of different civic attitudes is a strength of this research, a complete replication of this study with more multi-item scales would be desirable.

Additionally, as shown in this research, to evaluate socio-economic status in terms of social trajectory, instead than statically, may be crucial to understand a potential civic 'recession'. However, in this study the material change generated by the crisis is measured not by using longitudinal data but retrospective questions. Future research

should establish the generality of the results reported in the current investigation by conducting within-participants studies.

Further, these empirical findings may initiate a careful reassessment of people's motivation to be civically engaged in economically more prosperous contexts in the future research on determinants of civic attitudes. The large sample of this study, including all the European countries surveyed in the LiTS II dataset, provides a robust and extensive evidence base in relation to the recent economic crisis, moving beyond single-country studies. However, it remains to be confirmed whether this empirical evidence is a distinctive feature of Europe - and of countries that already have high incomes and established democracies - or whether the relationship between economic crisis and civism is a general empirical fact also in economically less developed and politically less stable countries. At the same time, it may be further interesting to distinguish European countries in relation to the future prospects of economic growth, in order to investigate whether the civic impact of the recent economic crisis is more significant in Southern than Northern countries, eliciting a sort of 'civic divide'. The absence of country cases as Spain and mainly Greece (the European country most affected by the economic crisis) represents an important further limitation of this study, which should be addressed by future research.

- 4 5 6 8

### FOOTNOTES

Supplementary methodological information and complete dataset are freely available at the EBRD (European Bank for Reconstruction and Development) website: http://www.ebrd.com/what-we-do/economic-research-anddata/data/lits.html

<sup>2</sup> Each behaviour may have a specific subjective value and may be perceived as more or less depriving than other behaviours; however, this information (the perceived importance) is not asked in the questionnaire.

<sup>3</sup> When the number of country cases is large, the use of mixed models or multilevel modelling is an effective way to assess contextual variation and how it decreases as country variables are added. With only five countries, however, such models do not provide reliable estimates. As a result, the analyses are based on a series of fixed-effects generalized linear models. For each dependent variable models that include a set of country dummy regressors representing the country variable are fitted. Preliminary models were also fitted, specifying interactions between country and various explanatory variables. None of the interaction effects were substantively large, however, so they were removed from the reported models in order to simplify interpretation.

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# TABLES AND FIGURES

Table 1. Communitarian approach: effects of crisis exposure on civic attitudes (model 1) and moderating role of expected mobility (model 2): parameter estimates and level of significance of the stepwise regression analysis.

	Communitarian approach			
	Antinormative		Generalized distrust	
	tend	ency		
	Model 1	Model 2	Model 1	Model 2
Constant	1.26***	1.27***	4.27***	4.06***
Gender (ref: Male)	132*	107	.215**	.229**
Age (ref: Over 54)				
18-34	.788***	.765***	.164	.209
35-54	.194*	.187*	.069	.076
Educational level	.182**	.211**	.758***	.743***
Occupational status (ref: Employed)				
Unemployed	.139	.093	.282**	.290**
Other	283**	321**	.109	.088
Crisis exposure	.039*	.055	.129***	.445***
Upward mobility		.001		.044
Crisis exposure by Upward				
mobility		001		070***
N	4287	4028	4254	3998
Note: the sample includes all the five E	U countries	surveyed: Fi	ance, Germa	any, Italy, S

Note: the sample includes all the five EU countries surveyed: France, Germany, Italy, Sweden, UK (LiTS II, 2010). Standard errors have been clusterized by country and are robust to heteroscedasticity and autocorrelation.

\*\*\* = p < 0.001; \*\* = p < 0.01; \* = p < 0.05.

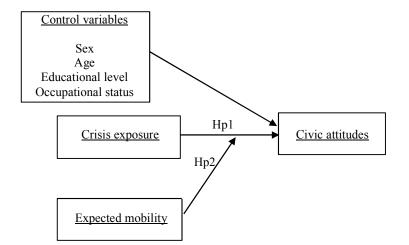
Table 2. Human development approach: effects of crisis exposure on civic attitudes (model 1) and moderating role of expected mobility (model 2): parameter estimates and level of significance of the stepwise regression analysis.

	Human development approach					
	Intolerance		Ethnic hostility			
	Model 1	Model 2	Model 1	Model 2		
Constant	2.28***	2.10***	4.62***	5.15***		
Gender (ref: Male)	.103*	.111*	.232***	.205**		
Age (ref: Over 54)						
18-34	.018	.018	321**	256*		
35-54	159**	131*	353***	326***		
Educational level	.329***	.338***	.905***	.909***		
Occupational status (ref: Employed)						
Unemployed	035	031	040	007		
Other	.091	.112	.149	.095		
Crisis exposure	.090***	.222***	.085***	.188**		
Upward mobility		.031		097		
Crisis exposure by Upward						
mobility		030***		027*		
N	4287	4028	4147	3909		

Note: the sample includes all the five EU countries surveyed: France, Germany, Italy, Sweden, UK (LiTS II, 2010). Standard errors have been clusterized by country and are robust to heteroscedasticity and autocorrelation.

\*\*\* = p < 0.001; \*\* = p < 0.01; \* = p < 0.05.

Figure 1. The empirical model used to test the hypotheses.



Intolerance: mean on 0-10 scale 3 3.5 4

2.5

No

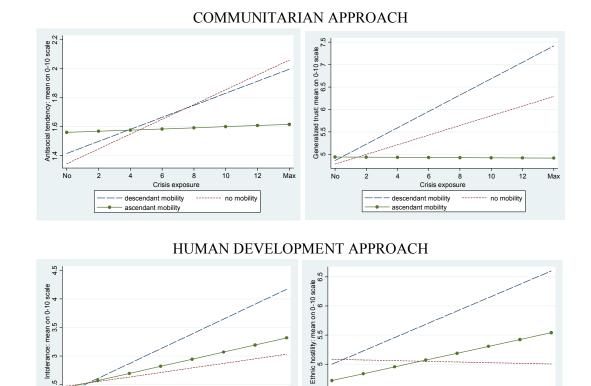


Figure 2. Predictive margins of civic attitudes by crisis exposure and expected mobility.

Note: calculations are based on Models 2 (Tables 1 and 2); all other included covariates are set to their means.

Max

no mobility

descendant mobility

- ascendant mobility

Crisis exp

4.5

No

no mobility

descendant mobility

ascendant mobility

Crisis expo

Max