

# **Hard times and Social Change: The Effects of Economic Crisis on Personal Values**

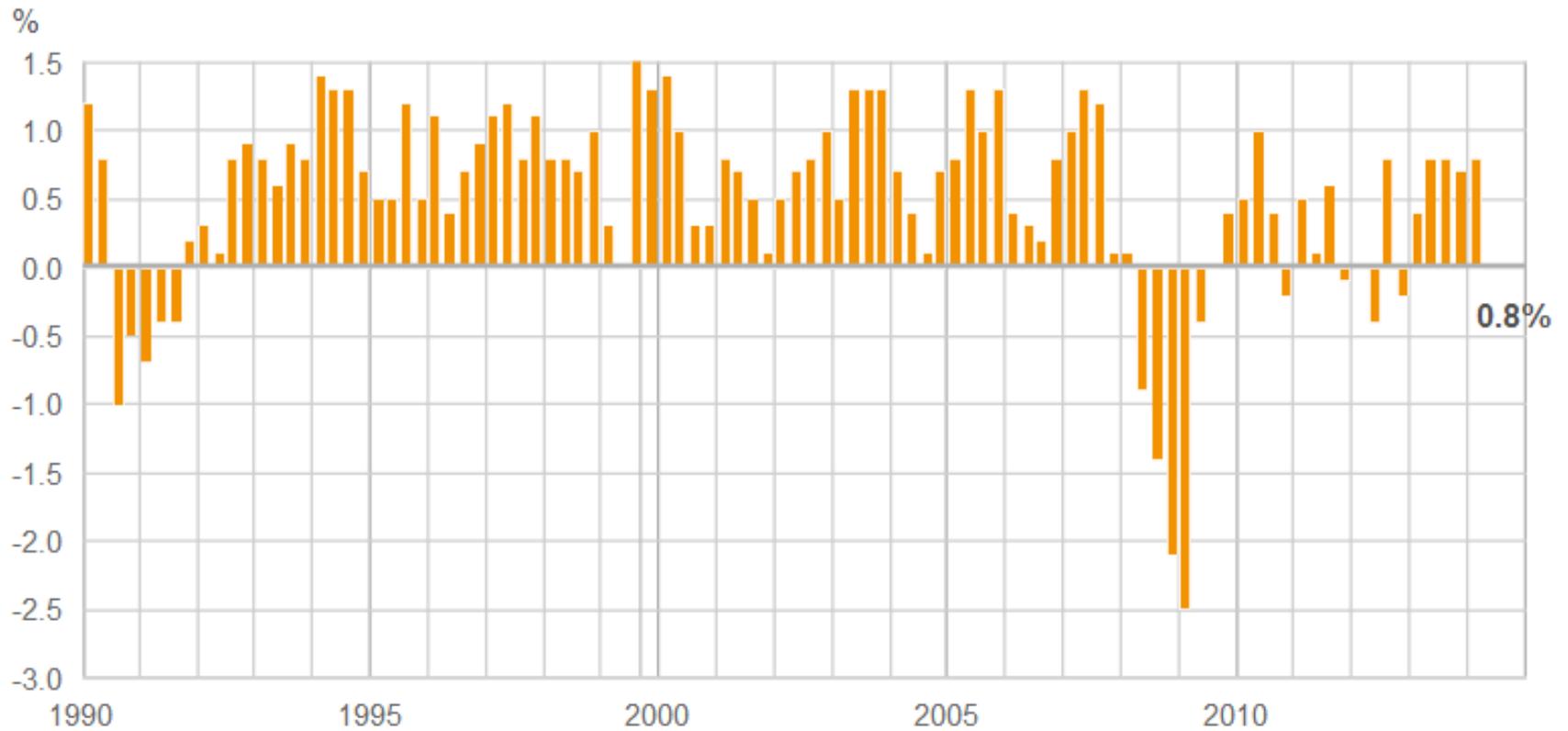
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CASE Social Exclusion Seminar  
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# Hard Times and Personal Values

1. Background
2. Theoretical framework and hypotheses
3. Findings
4. Conclusions and policy implications

# Hard Times

UK GDP growth, quarter on previous quarter



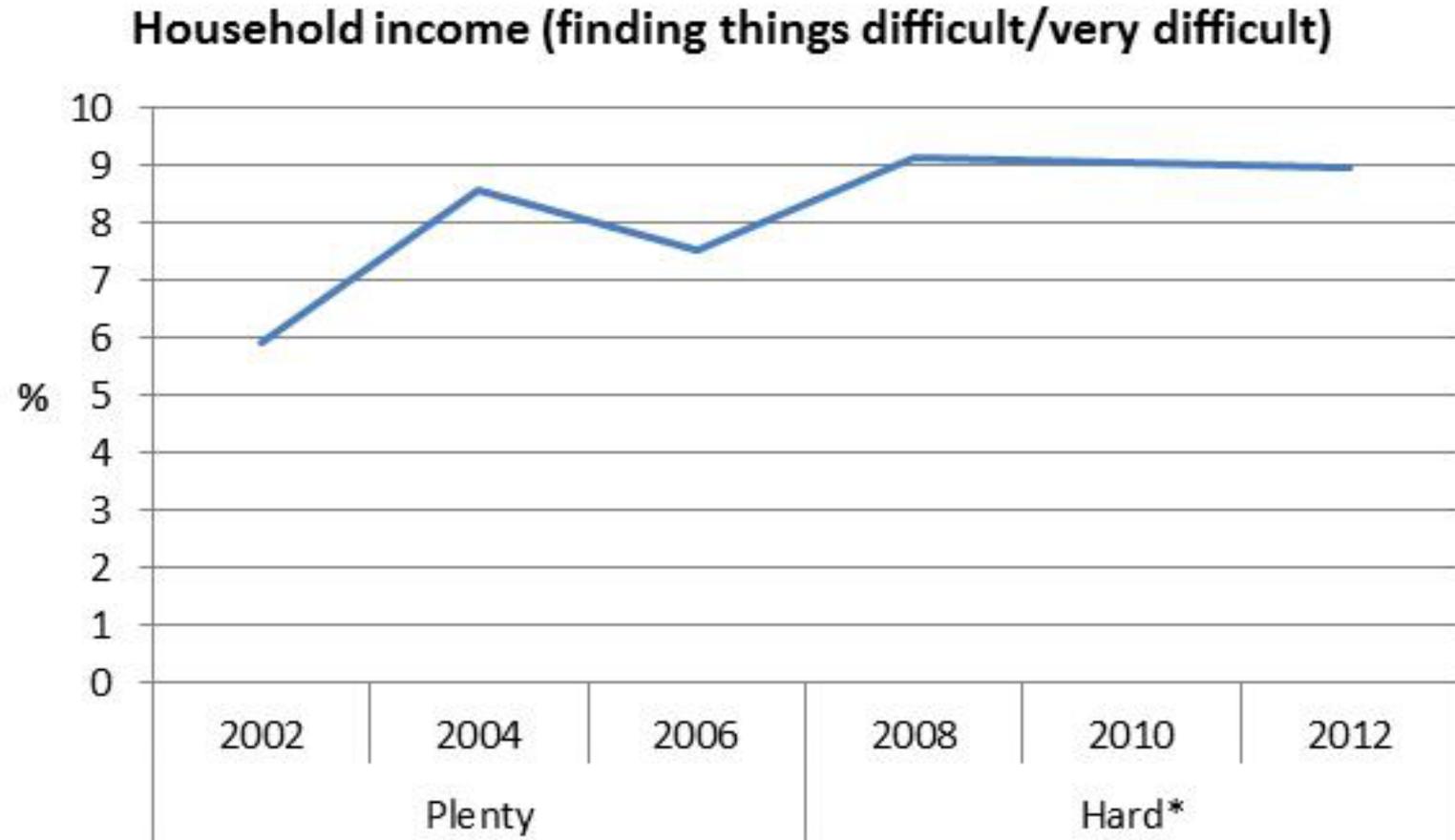
Source: BBC/ONS

# Hard Times



“The longest fall in living standards since the 1870s” (Milne 2014)

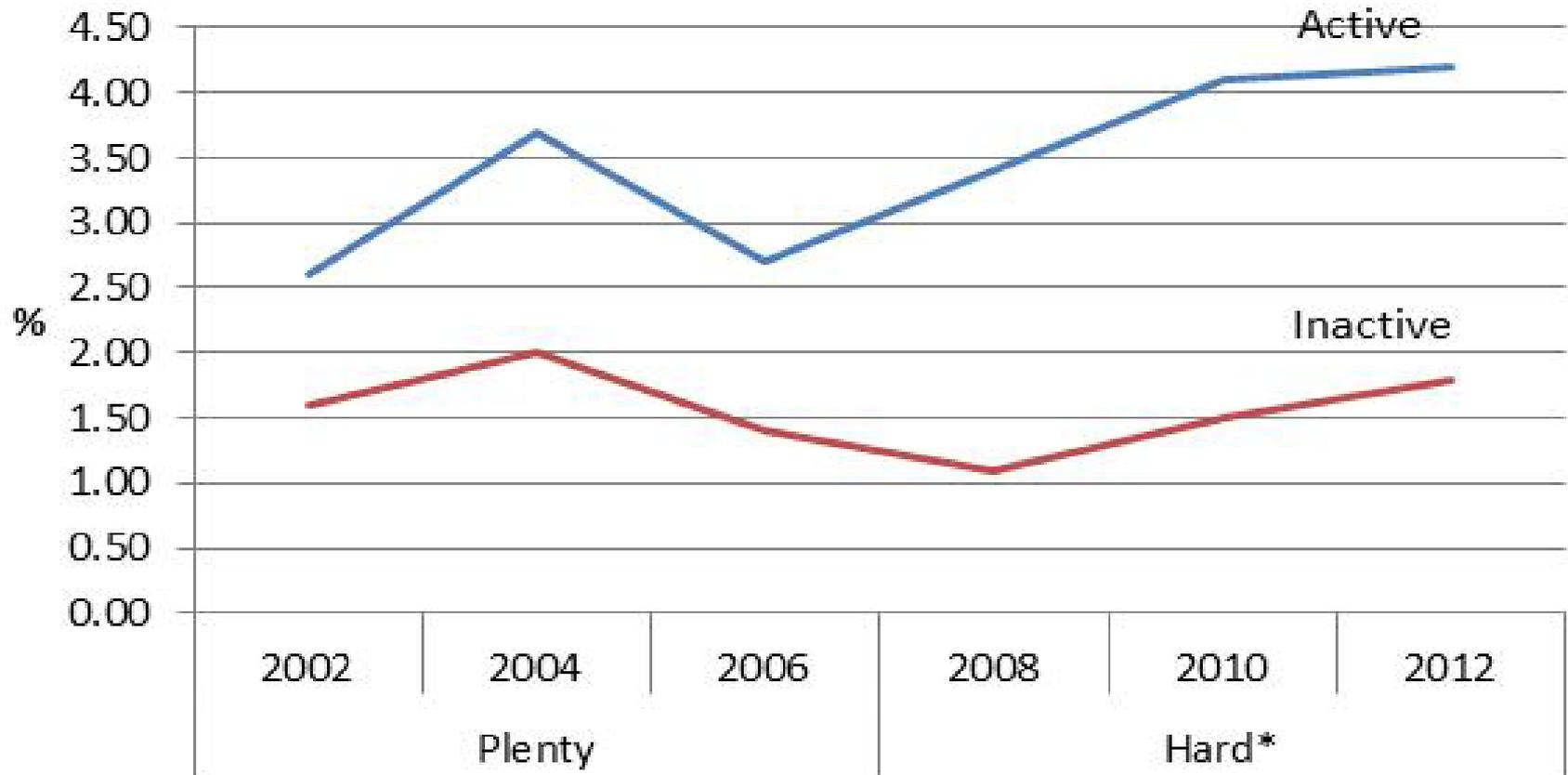
# Economic crisis and the quality of life in the UK



Source: European Social Survey, Rounds 1-6 (n=13,403)

# Economic crisis and the quality of life in the UK

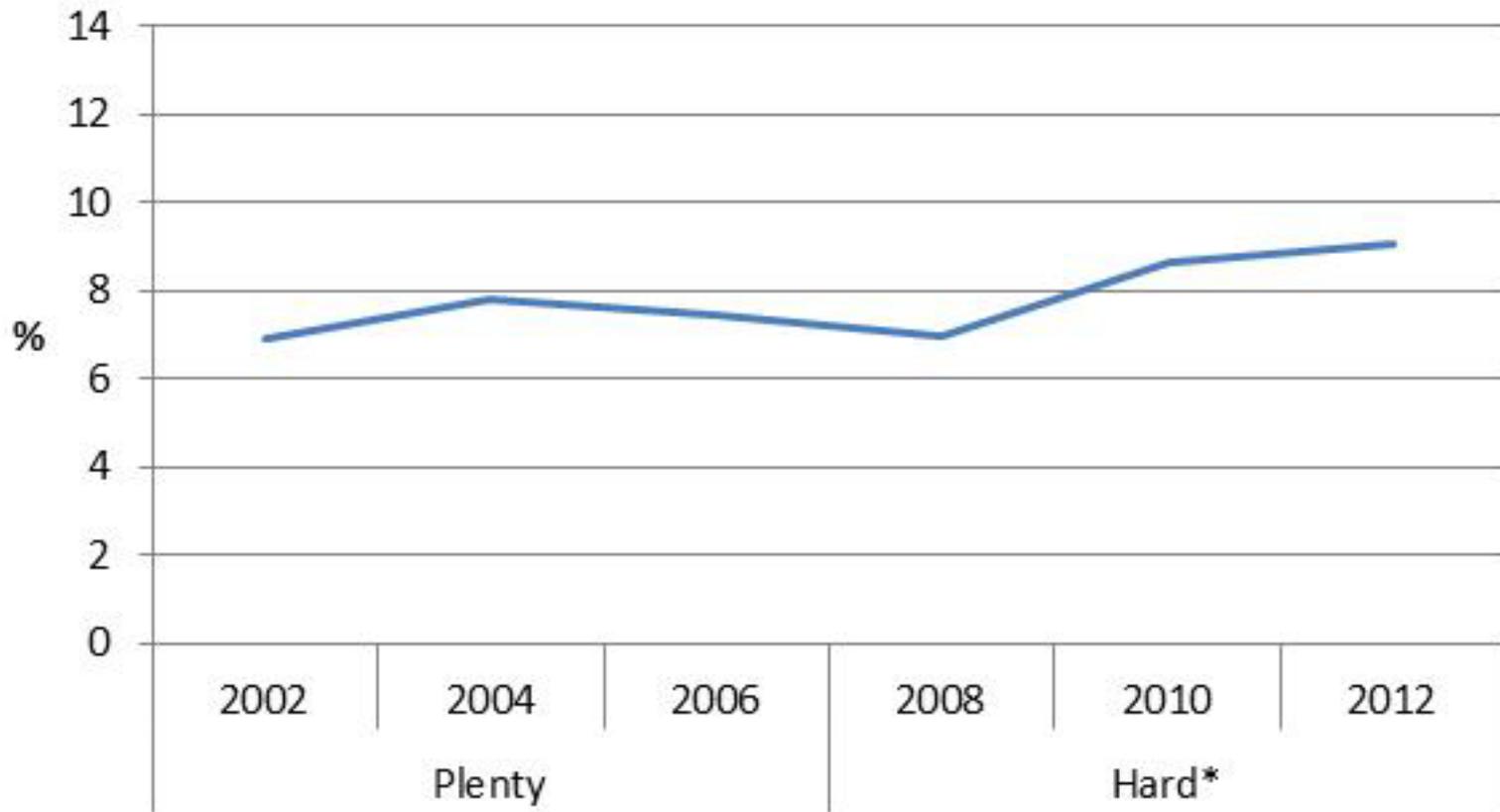
## Unemployment



Source: European Social Survey, Rounds 1-6 (n=13,403)

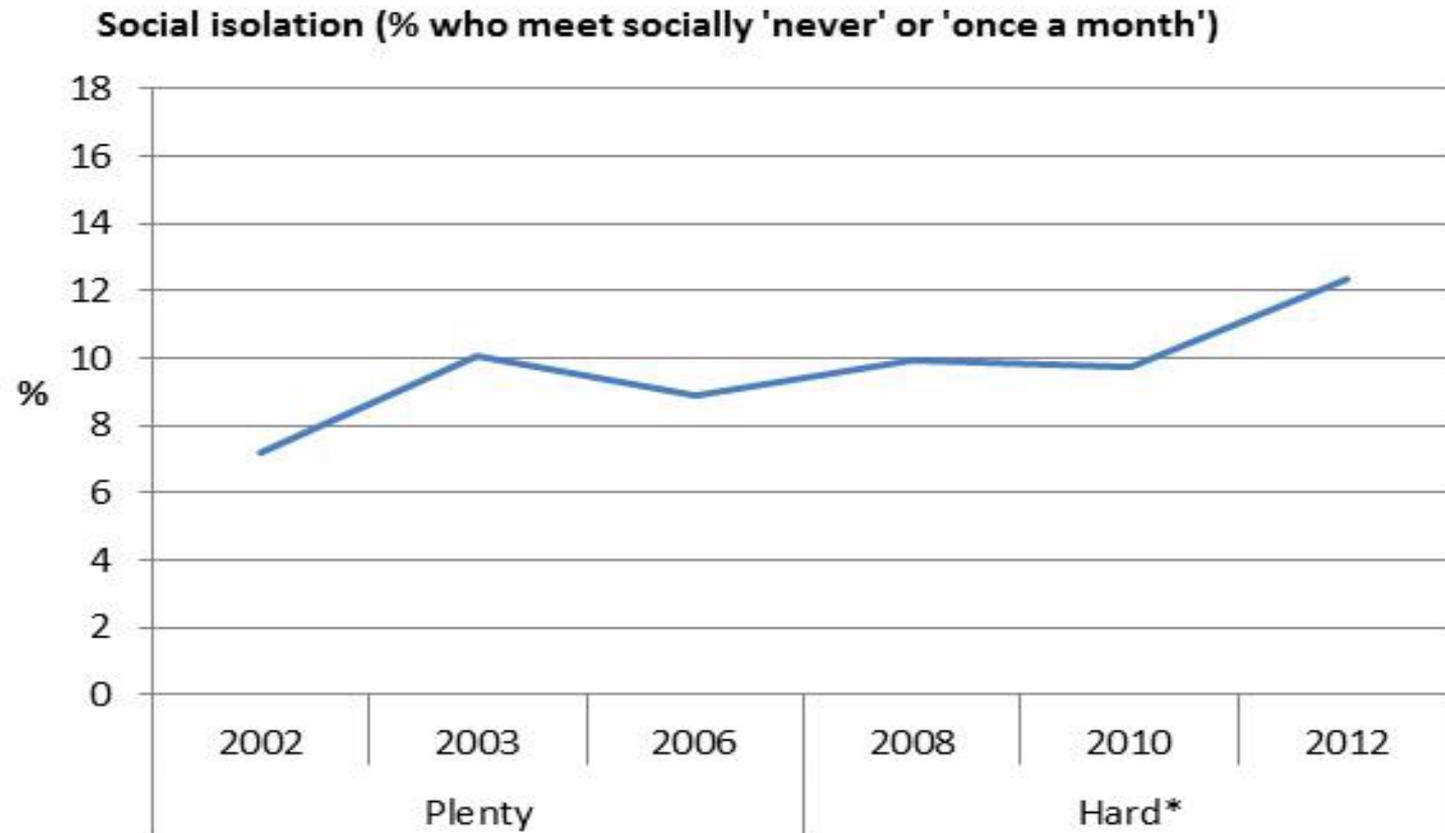
# Economic crisis and the quality of life in the UK

Subjective general health (Bad or very bad)



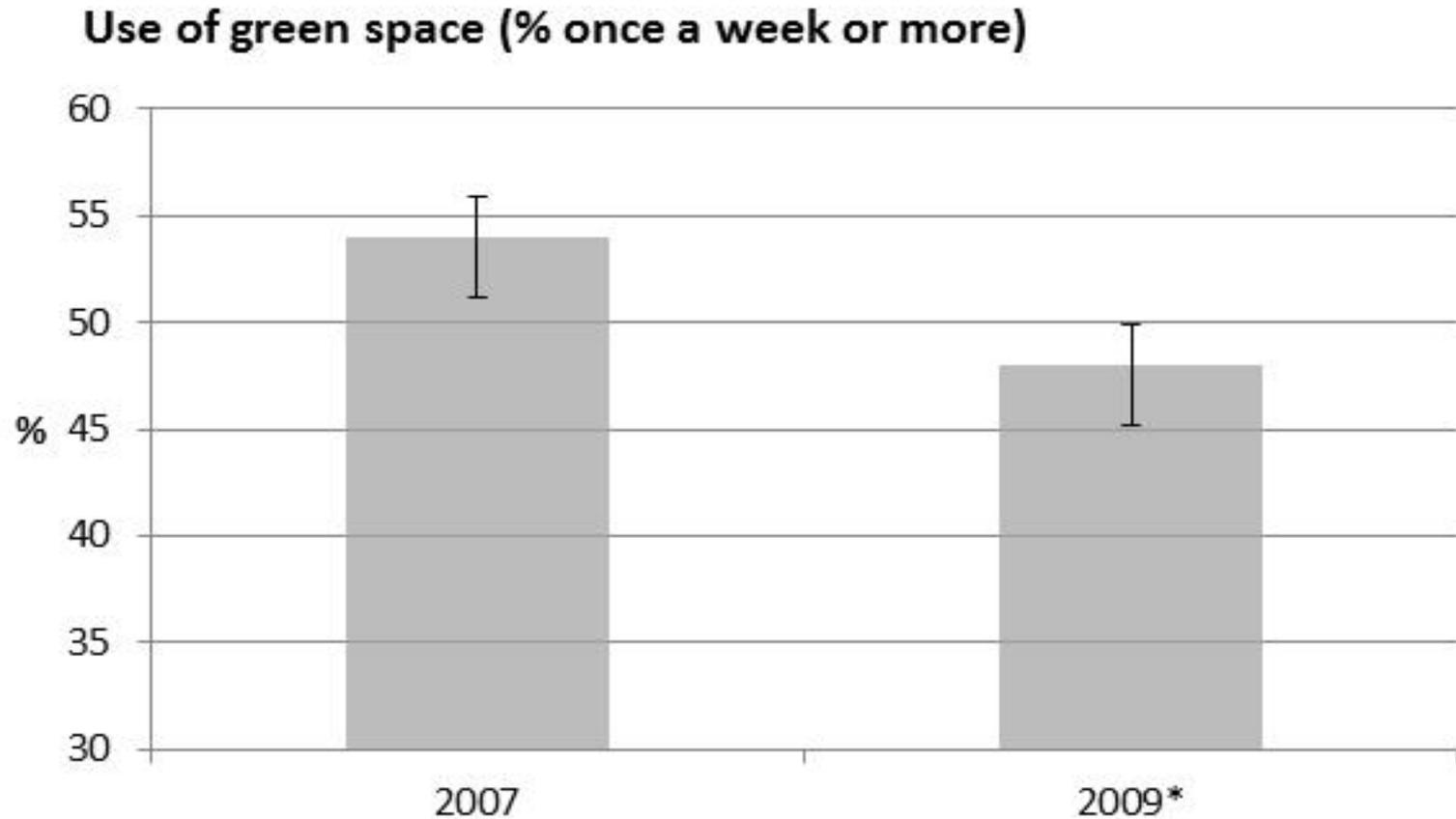
Source: European Social Survey, Rounds 1-6 (n=13,403)

# Economic crisis and the quality of life in the UK



Source: European Social Survey, Rounds 1-6 (n=13,403)

# Economic crisis and the quality of life in the UK



Source: Defra (2009) Public Attitudes and behaviours towards the environment tracker survey (n=3,670)

# Economic Crisis and Personal Values

- **Hard times:**
  - External constraint on flourishing
  - **Internal constraint** - autonomy of agency
    - “a downsizing of expectations” (Pew 2010)
    - “the crushed dreams of millions of Americans” (Treas 2010)
    - “the everyday grinding-down of expectation” (Moore 2014)
- Personal value priorities:
  - That which people consider most important in life (Allport 1960)
  - The aspirations or goals that people consider important for achieving well-being (Camfield, et al. 2009)
- Personal value orientations → **aspirations, expectations, goals, plans (‘horizons’)**
- Value-orientations and flourishing:
  - ‘Higher’ (‘agency’) and ‘lower’ (‘deficiency’) goals (Inglehart 1977, Sen 1999)
- Basic material security → freedom to pursue higher goals
- Focus on lower ‘Security’ needs crowds out higher goals = constrained autonomy of agency

# Hypotheses

**Adaptation:** “The adjustment of people’s aspirations to feasible possibilities.” (Elster 1982)

**H1:** Hard times will lead to adaptation in personal values

**H1a:** The importance of deficiency values will increase during hard times

**H2:** Increases in the importance of deficiency values will be concentrated among economically vulnerable groups

**H3:** Hard times will cause increased prioritisation of deficiency values among the formative generation

# Data and Methods

**Do hard economic times lead to adaptation in personal values?**

– **Data**

- European Social Survey, 2002-2010
- Schwartz's Values Survey: What do people consider to be most important in life?

– **Method**

- Exploratory structural equation modelling (ESEM)

– **Outputs**

- Measurement model of value orientations in the UK
- Structural model with covariates

# Measuring value orientations

## Value priority sets

European Social Survey, UK, 2002-2010, n=10,931

Exploratory factor analysis

F1	F2	F3
Carpe Diem	Security-Conformity	Pro-social
Stimulation	Security	Universalism
Hedonism	Tradition	Benevolence
Power-Achievement	Conformity	Self-direction

**'Deficiency' goals: Security, safety, stability of self and society, conformity with the status quo**

# Hard times and personal values: Results

- **H1:** Hard times will lead to adaptation in personal values ✓
  - **H1a:** The importance of deficiency values will increase during hard times ✓

**Table 1: Exploratory Factor Analysis with covariates (ESEM), ESS rounds 1-5**

(Standardized coefficients)

		1		2		3	
		Carpe Diem		Security-Conformity		Pro-social	
		$\beta$	(p)	$\beta$	(p)	$\beta$	(p)
1	Period of Hard Times 2008-2010 (reference category 2002-2006)	<b>-0.14*</b>	<b>(0.00)</b>	<b>0.14*</b>	<b>(0.00)</b>	<b>0.10*</b>	<b>(0.00)</b>

Control variables: cohort; gender; marital status; children; labour market status, income, education

# Hard times and personal values: Results

**H2:** Increases in the importance of deficiency values will be concentrated among economically vulnerable groups ✓

**Table 2**

**Multiple-group Exploratory Factor Analysis with covariates (ESEM): Security-Conformity**

(Standardized coefficients)

	Times of plenty (2002-2006)		Hard times (2008-2010)		Wald	(p)
	$\beta$	(p)	$\beta$	(p)		
<i>Income (reference categories: above median income, higher education, paid work/house work)</i>						
Low income (<60% median)	0.18	(0.00)	0.18	(0.00)	0.13	(0.72)
<b>Medium-low income</b>	<b>0.00*</b>	<b>(0.99)</b>	<b>0.14*</b>	<b>(0.01)</b>	<b>4.47*</b>	<b>(0.03)</b>
Education: No qualifications	0.33	(0.00)	0.30	(0.00)	0.07	(0.79)
Education: GCSEs	0.12	(0.01)	0.06	(0.31)	0.09	(0.77)
<i>Long-term sick or disabled</i>	-0.09	0.08	0.10	0.10	2.60	(0.11)

Control variables: cohort; gender; marital status; children; labour market status, education

# Hard times and personal values: Results

**H3:** Hard times will cause increased prioritisation of deficiency values among the formative generation ✓

**Table 3: Multiple-group Exploratory Factor Analysis with covariates (ESEM): Security-Conformity**  
(Standardized coefficients)

	Times of plenty		Hard times		Wald	(p)
	$\beta$	(p)	$\beta$	(p)		
<b>Cohort (ref category: Traditionalists, pre-1945)</b>						
<b>Babyboomers (1945-1960)</b>	-0.21	(0.00)	-0.15	(0.06)	1.23	(0.27)
<b>Generation X (1961-1979)</b>	-0.24	(0.00)	-0.13	(0.17)	1.99	(0.16)
<b>Generation Y1 (1980-1985)</b>	-0.18	(0.08)	-0.15	(0.17)	0.33	(0.57)
<b>Generation Hard Times (1986-1990)</b>	<b>-0.45</b>	<b>(0.00)</b>	<b>-0.17</b>	<b>(0.20)</b>	<b>3.07</b>	<b>(0.08)</b>

Control variables: gender, marital status, children, labour market status, income, education

# Summary of Findings

**Do hard economic times lead to changes in the kinds of lives people in the UK have reason to value?**

Economic crisis → adaptation in personal value priorities

- Increased prioritisation of Security-Conformity values
  - Stability, safety, security (deficiency)
- Unequal distribution of effects:
  - the economically vulnerable (low income/disabled)
  - the formative generation (16-24yrs)

# Conclusions and implications (1)

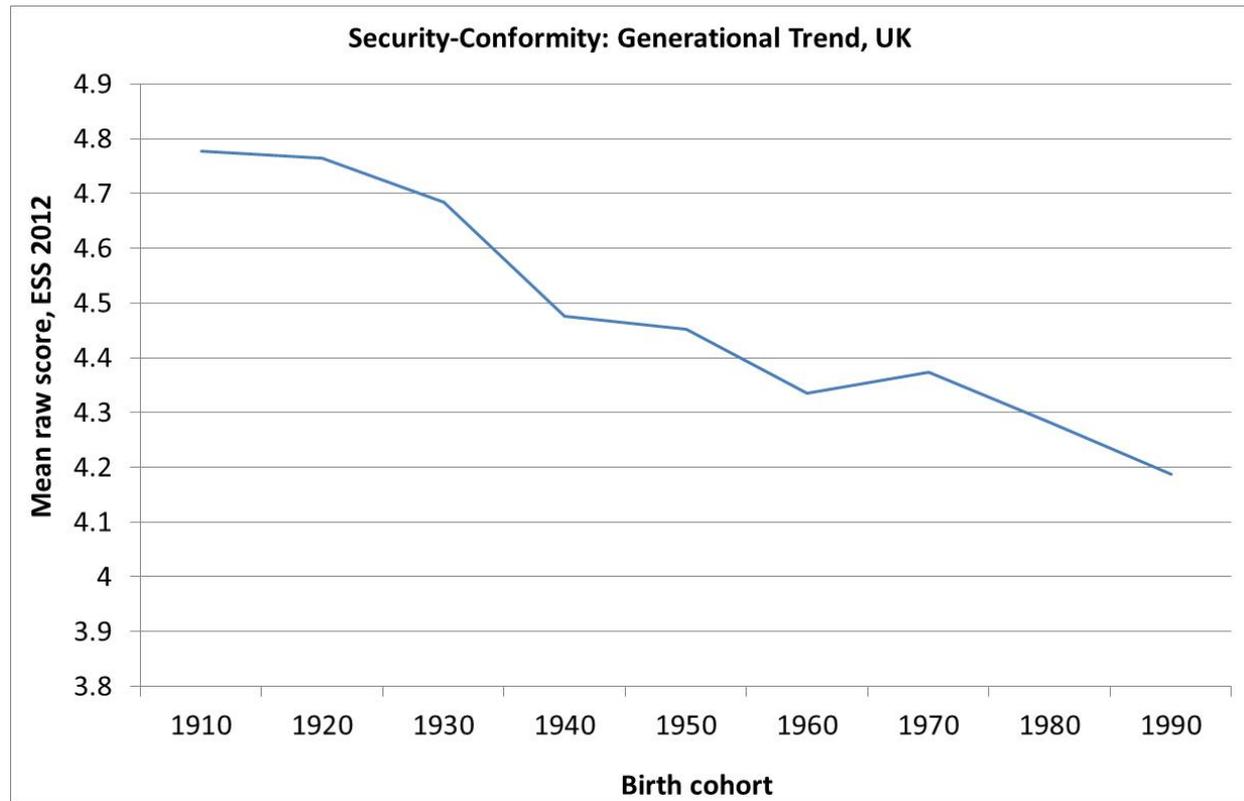
Economic crisis had a dual effect on well-being

Constraint on:

(1) external opportunities

AND

(1) internal horizons of aspiration ('hunkering down')



# Conclusions and implications (2)

- Vertical and horizontal inequalities
  - Compounded existing vertical inequalities
    - Medium-low income group
      - “...just one large heating bill or a broken washing machine away from hardship” (Haddad 2012)
    - Low income group
      - “Recession? It’s all the same to us son” (Emmel and Hughes 2010)
- Important effects on formative generation
  - Scarring effects (non-economic)
  - Implications for wider social change (see Mannheim 1952)
    - “...modernization’s changes are not irreversible. Economic collapse can reverse them, as happened during the Great Depression in Germany, Italy, Japan, and Spain...” (Inglehart and Welzel 2010)

# Policy implications

- Different sections of society suffered **unequal exposure** to the effects of hard times
  - Times of plenty: Focus on structural causes of inequalities and precarity
    - Precarity just above poverty threshold (unskilled, low-paid, insecure employment; lower income households with children)
    - Below the poverty line: entrenched deprivation
  - Hard times: Focus on objective material insecurity AND internal horizons of expectation, possibility and opportunity
- The **formative generation** were significantly affected
  - Future hard times: support horizons of expectation and aspiration
    - E.g. investment in skills and education; opportunities for employment and volunteering

# Thank you

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Austin, A. (2015) 'Practical reason in hard times: the effects of economic crisis on the kinds of lives people in the UK have reason to value.' *Journal of Human Development and Capabilities*. DOI: 10.1080/19452829.2015.1076776