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Participants Presentations



European Ph.D

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Trust in the economy in times of crisis – an analysis of social representations of experts and laypeople of the financial and economic crisis

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Content

- Definitions and determinants of trust
- Research aims and questions
- Method and sample
- Results
- Summary
- Discussion

Definition

Trust is the general opinion of individuals and social groups that an authority is benevolent and works beneficially for the common good (De Cremer & Tyler, 2007; Kirchler, Hölzl, & Wahl, 2008)

Determinants of trust

- Transparency
- Competence
- Integrity
- Morality
- Shared values
- Reputation
- Benevolence
- Fairness
- ...

(i.e. Gärling, Kirchler, Lewis, & van Raaij, 2009; Pirson & Malhotra, 2008)

Research aims

Trust in the economy:

To establish which representations and opinions exist concerning the economy and its stakeholders in the presence of the financial and economic crisis.

Research questions

Which representations exist of the financial and economic crisis and economic stakeholders?

- Social representations
 - Financial and economic crisis, government and politicians, financial institutions and banks, managers and entrepreneurs, consumers and customers
 - Experts and laypeople

What are the most important determinants of trust for economic stakeholders?

- Questionnaire
 - Financial and economic crisis, government and politicians, financial institutions and banks, managers and entrepreneurs, consumers and customers
 - Experts and laypeople

Social representations

Free associations

- Spontaneous associations to 5 stimuli
- Rating of the associations (positive, neutral, negative)

Analysis:

- Frequency of associations
- Core and periphery of the social representation
- Semantic analysis; analysis of categories
- Ratings of associations
- Sequences of associations

Questionnaire

- Determinants of trust

The government and politicians are: stable, loyal, fair, etc.

- General trust

Generally I trust the government and politicians.

(7-point Likert scale)

Sample

- Online data collection (GfK Austria)
- Survey period: March 2010
- 309 persons
 - 156 experts and 153 laypeople ($\chi^2(1) = 0.03; p = .86$)
 - 170 men and 139 women ($\chi^2(1) = 0.42; p = .52$)
 - Average age of 40.98 years (SD = 10.07) ($t(307) = -.14; p = .89$)

Results

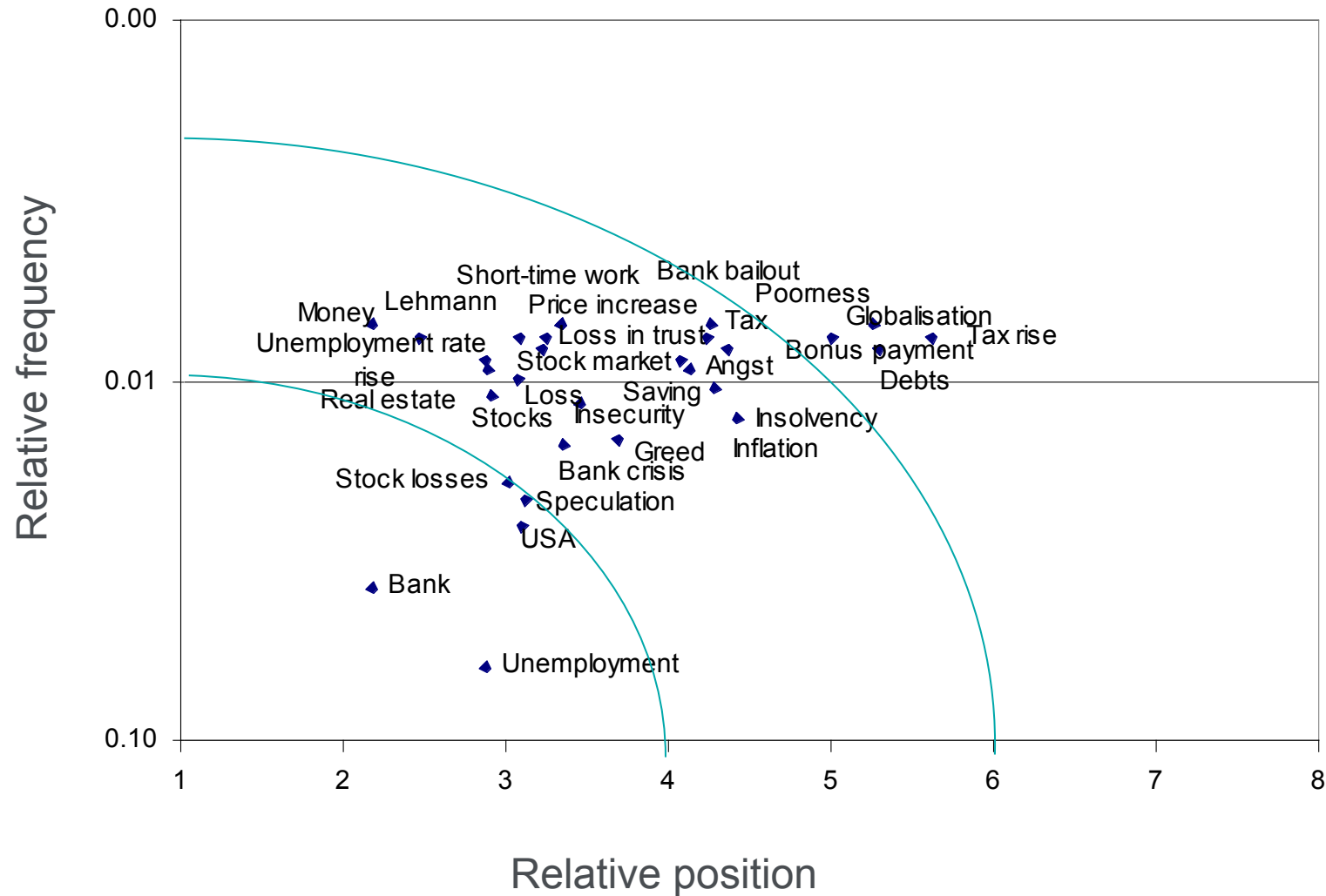
Descriptive results

	Financial-/Economic Crisis			Government/ Politicians			Financial Institutions/ Banks			Managers/ Entrepreneurs			Consumers/ customers		
	Σ <i>N</i> = 309	<i>E</i> <i>n</i> = 156	<i>L</i> <i>n</i> = 153	Σ <i>N</i> = 309	<i>E</i> <i>n</i> = 156	<i>L</i> <i>n</i> = 153	Σ <i>N</i> = 309	<i>E</i> <i>n</i> = 156	<i>L</i> <i>n</i> = 153	Σ <i>N</i> = 309	<i>E</i> <i>n</i> = 156	<i>L</i> <i>n</i> = 153	Σ <i>N</i> = 309	<i>E</i> <i>n</i> = 156	<i>L</i> <i>n</i> = 153
Total number of associations	1743	916	827	1534	801	733	1533	827	706	1434	765	669	1306	694	612
Number of different associations after 1 st correction	904	539	477	1009	628	493	900	560	431	970	580	479	889	539	435
Number of different associations after 2 nd correction	688	437	379	798	521	404	737	477	363	747	473	376	711	447	368
Mean length of association sequences (<i>Median</i>)	6	6	5	5	5	5	5	5	4	4	5	4	4	4	3
Index of homogeneity	0.39	0.48	0.46	0.52	0.65	0.55	0.48	0.58	0.51	0.52	0.62	0.56	0.54	0.64	0.60

Frequent associations

Σ N = 309	Experts n = 156	Laypeople n = 153
Financial-/ Economic crisis		
Unemployment (n = 107)	Unemployment (n = 60)	Unemployment (n = 47)
Banks (n = 65)	USA (n = 30)	Banks (n = 43)
USA (n = 43)	Banks (n = 22)	Speculation (n = 21)
Government/ Politicians		
Elections (n = 35)	Elections (n = 15)	Elections n = 20
Incompetence (n = 27)	Incompetence (n = 11)	Incompetence (n = 16)
Dishonesty (n = 25)	Party (n = 11)	Dishonesty (n = 15)
	Populism (n = 11)	
Financial institutions/ Banks		
Interest (n = 39)	Trust (n = 17)	Credit (n = 27)
Credit (n = 38)	Credit (n = 14)	Interest (n = 25)
Account book (n = 26)	Erste Bank (n = 14)	Bank account (n = 21)
Managers/ Entrepreneurs		
Responsibility (n = 63)	Responsibility (n = 36)	High salaries (n = 30)
High salaries (n = 55)	Bonus payment (n = 26)	Salaries too high (n = 29)
Salaries too high (n = 46)	High salaries (n = 25)	Responsibility (n = 27)
Consumers/ Customers		
Consumer protection (n = 43)	Consumer protection (n = 19)	Consumer protection (n = 24)
Price rise (n = 36)	Price rise (n = 19)	Buying (n = 19)
Buying (n = 27)	Saving (n = 12)	Price rise (n = 17)

Core and periphery of Financial-/ Economic crisis



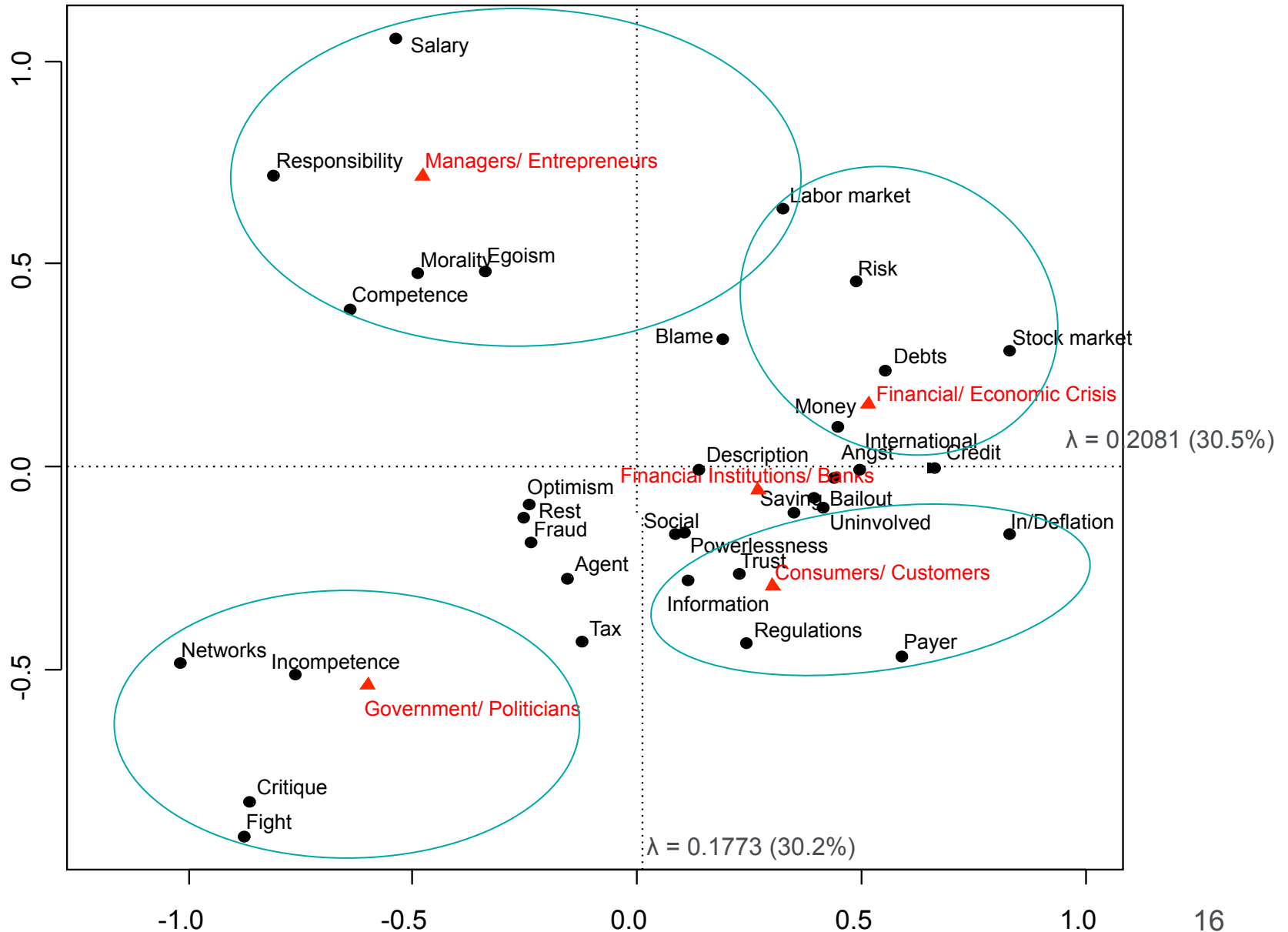
Categories

Description	Financial/ Economic Crisis		Government/ Politicians		Financial Institutions/ Banks		Managers/ Entrepreneurs		Consumers/ Customers	
	E n=156	L n=153	E n=156	L n=153	E n=156	L n=153	E n=156	L n=153	E n=156	L n=153
Description	122	113	86	84	169	175	118	107	133	173
Agent	51	93	92	149	102	83	40	33	26	23
Critique	8	4	66	57	9	9	8	3	4	4
Labor market	92	73	5	2	8	1	52	38	19	4
International	67	36	24	6	22	8	2	5	7	5
Regulations	14	13	22	9	19	2	7	2	44	36
Tax	11	32	28	33	8	5	6	4	14	16
Bailout	18	22	13	4	20	23	4	1	5	1
Saving	34	33	15	15	40	29	17	4	41	16
Debts	57	49	11	3	5	15	12	8	8	7
Credit	25	17	1	0	50	42	5	0	11	4
Money	10	14	2	0	23	13	5	9	8	14
In/Deflation	50	29	4	0	3	1	0	0	41	30
Salary	22	31	14	9	21	26	127	132	8	4
Stock market	52	65	0	0	37	18	4	6	0	0
Risk	32	44	0	0	27	29	18	16	1	1
Payer	4	6	4	1	14	40	0	0	47	50
Angst	65	19	16	9	9	5	9	6	35	4
Powerlessness	14	19	19	29	15	43	26	25	43	72 ¹⁴
Fight	5	2	29	36	7	1	2	1	3	0

Categories

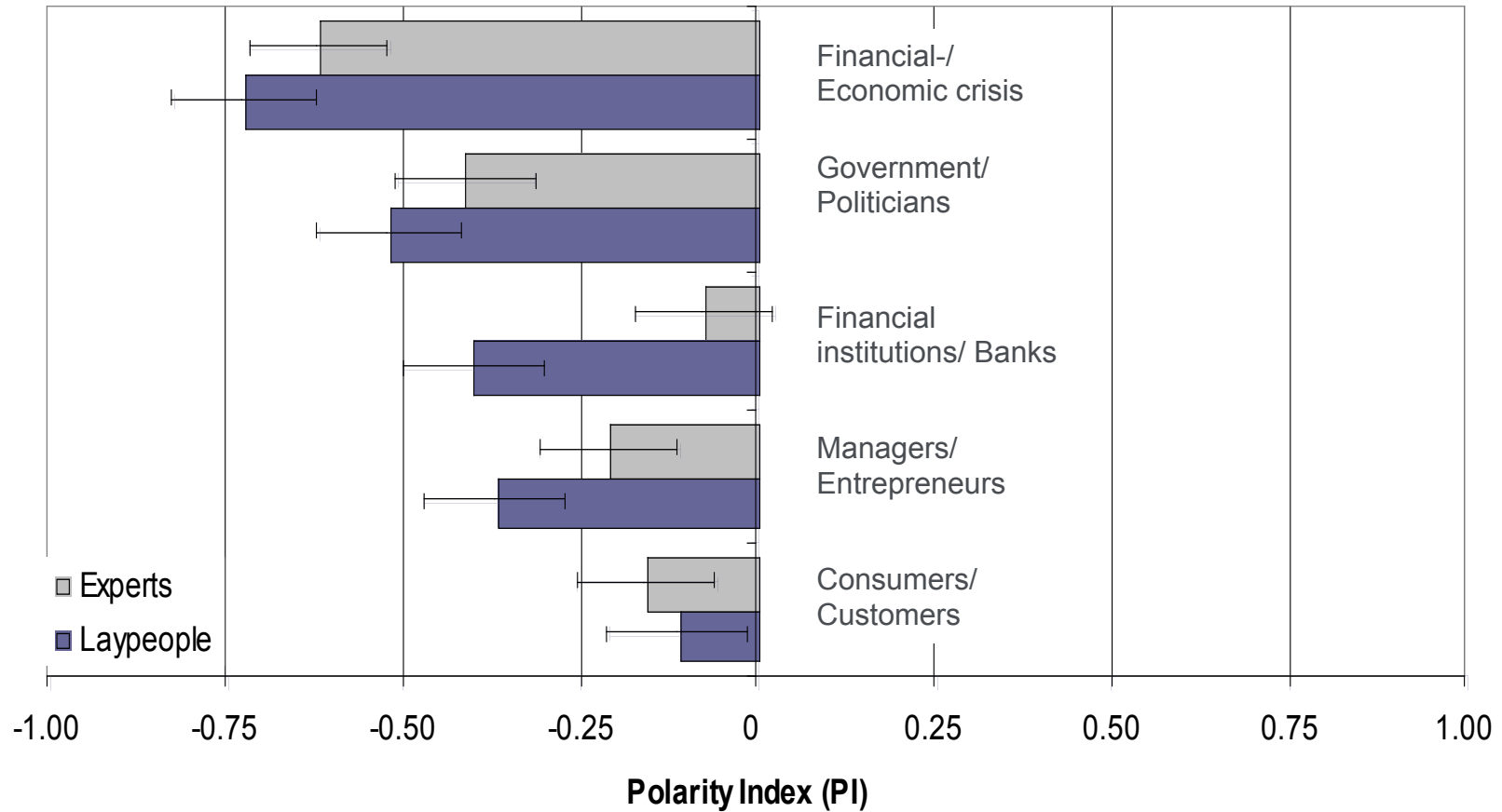
	Financial/ Economic Crisis		Government/ Politicians		Financial Institutes/ Banks		Managers/ Entrepreneurs		Consumers/ Customers	
	E n=156	L n=153	E n=156	L n=153	E n=156	L n=153	E n=156	L n=153	E n=156	L n=153
Trust	31	1	16	14	41	12	5	0	15	0
Incompetence	17	12	106	101	6	13	30	30	27	13
Responsibility	4	2	28	18	10	11	71	58	5	6
Fraud	11	25	29	29	6	24	12	14	4	10
Networks	2	0	16	22	1	1	8	5	3	0
Egoism	12	20	18	15	10	25	29	54	10	5
Blame	6	8	1	3	21	8	7	8	1	1
Information	30	9	39	21	66	21	13	13	37	35
Morality	3	8	7	12	6	3	16	29	7	6
Uninvolved	4	5	2	1	1	1	2	0	4	3
Competence	4	1	26	20	21	7	58	28	8	12
Optimism	21	4	26	10	9	1	21	3	13	6
Social	17	16	23	9	13	4	20	12	44	34

Correspondence analysis



Total Variance 87.4% (3rd dimension: $\lambda = 0.1274$ (21.7%))

Polarity Index

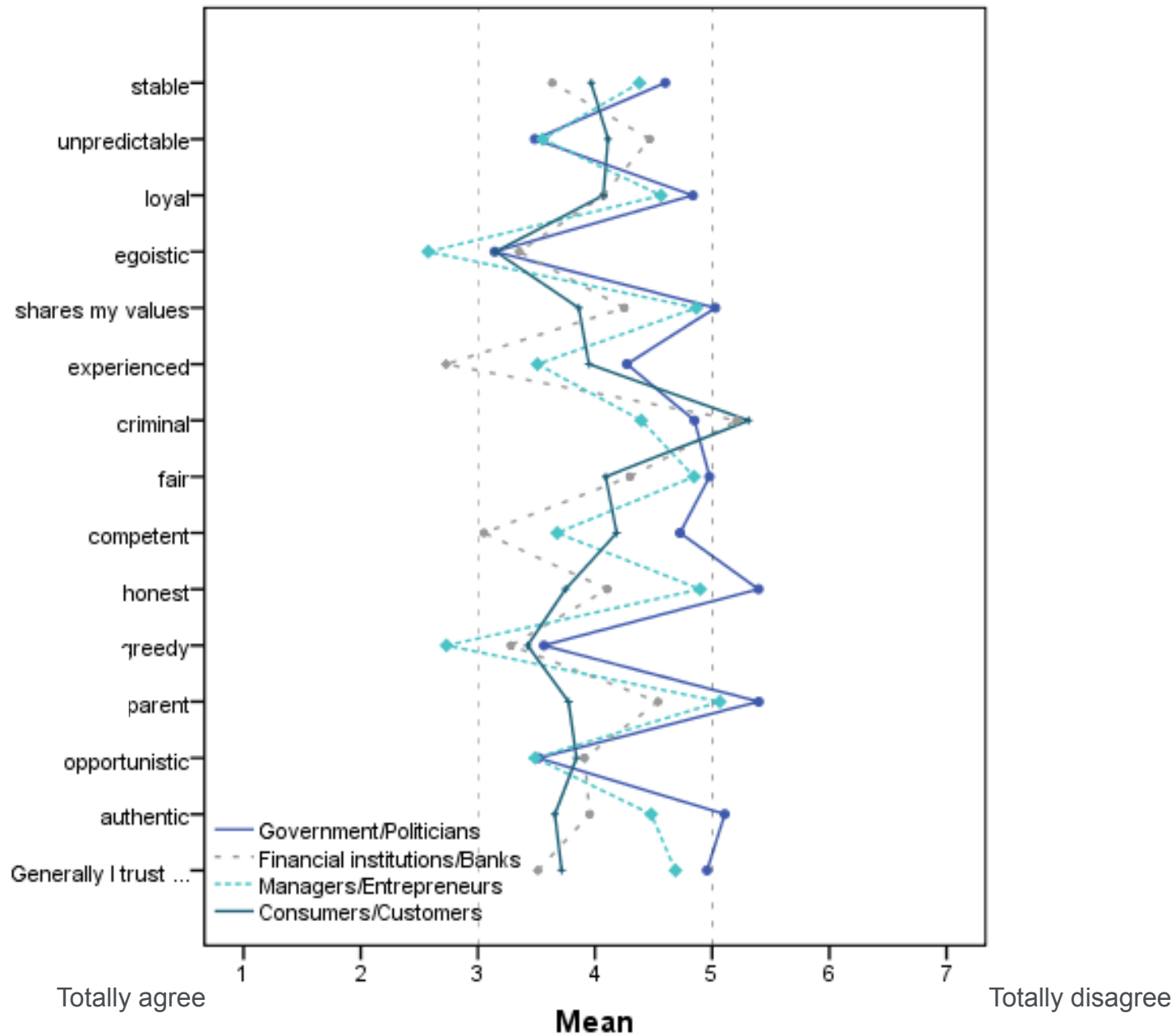


Summary: Social representations

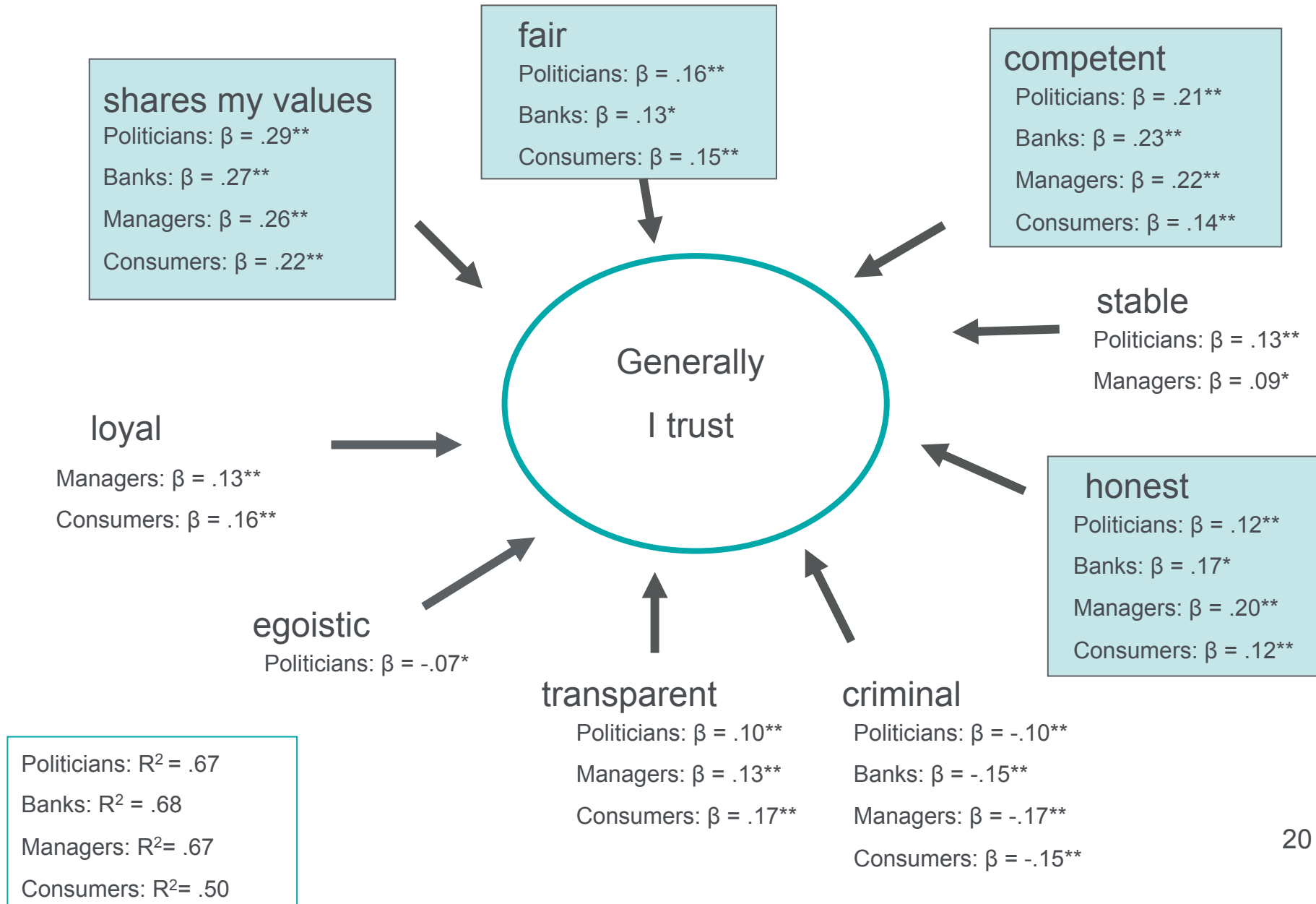
The perception of the financial and economic crisis and the economic stakeholders was negative.

- Financial and economic crisis:
 - associated with unemployment, speculation, the USA and banks
 - related to the stock market, international issues, risk, labor market and debts
- Government and politicians:
 - most negatively perceived and associated with incompetence and dishonesty.
 - related to incompetence, criticism, fights and networks
- Financial institutions and banks
 - evoked relatively less negative perception (experts) and were associated with interest and credit
 - related to credit, international issues, saving, information (experts) and powerlessness (laypeople)
- Managers and entrepreneurs
 - associated with responsibility and (too) high salaries
 - related to salaries, responsibility, the labor market, egoism, competence (experts)
- Consumers and customers
 - received the least negative ratings and were associated with consumer protection and price rise
 - related to paying, regulations, powerlessness, information

Trust profile of economic stakeholders



Determinants of trust



Summary determinants of trust

- Government and politicians were rated as the least trusted economic stakeholder
- Consumers and customers were rated as the most trusted economic stakeholder
- Experts tended to rate all economic stakeholders (except consumers and customers) more positively than the laypeople
- High trust ratings of an economic stakeholder correlated with the perception of shared values, competence, fairness, honesty and loyalty (experts).

Summary

Negative impact on trust:

- Labor market problems
- Incompetent politicians
- Managers with high salaries who have responsibility
- Powerless consumers without protection

Positive impact on trust:

- knowledge, expertise
- Shared values/shared social group
- Perception of competence, honesty, fairness and loyalty

Discussion