Changing values
Materialism in Iceland following the economic collapse

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Lokaverkefni til BS-gráðu
Sálfræðideild
Heilbrigðísvisindasvið

HÁSKÓLI ÍSLANDS
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The first chapter of this thesis is a literature review that serves as a background to the research presented in the second chapter. It discusses the concept of a value, its definitions, how values may be organised and measured, as well as value stability and the relationship between values and behaviour. This is followed by a discussion on a value of particular relevance to the discourse that followed the economic collapse in Iceland in 2008: materialism. It considers three of the most prominent approaches to materialism, their definitions and measures, as well as stability and change in materialism.

The second chapter of this thesis presents a study where potential changes in Icelanders’ value priorities following a major social event were investigated, using the financial crisis as a backdrop. As expected, and in accordance with the literature, no significant changes in materialistic values of the Icelandic people, over a 17-month period following the collapse, were revealed. In addition, contrary to what the discourse that followed the collapse suggested, research conducted prior to 2008, along with the presented research, indicates that Icelanders consistently prioritise family and community values over materialistic values.
Chapter 1 - Literature review

In the year of 2008, the worldwide financial crisis impacted heavily on Iceland. This was followed by an intense public discussion on value priorities of the Icelandic people. It was assumed that the prevailing values were materialistic and detrimental to society, and that in order to recover from the crisis, a change was necessary. Jóhanna Sigurðardóttir, the former prime minister of Iceland, was one of many who said that this was the time for new values and moral appraisals (Okkar tími er kominn, 2009). In two national assemblies in 2009 and 2010, an attempt was made to find the ‘ideal’ values (Bjóðfundur, 2009) upon which the Icelandic society should be based, and Icelanders were subsequently encouraged to start prioritising their families and the community.

What is a value?

In an everyday context, we often try to explain people’s (and our own) actions by referring to the values thought to motivate them. Values are generally thought of as criteria for evaluating and selecting what is good or bad in terms of ways of life. They have been defined as enduring beliefs about what is personally and socially preferable conduct that go beyond immediate to more ultimate goals and are ordered by relative importance (Rokeach, 1973 in Fournier & Richins, 1991; Schwartz, 1990; Schwartz & Bilsky, 1987). At the individual level, values are internalised standards that balance personal needs with the demands of the society. At the societal level, they represent shared understandings that bring meaning, integration and stability (Clawson & Vinson, 1978; Braithwaite & Blamey, 1998).
Initial value research

Amongst contemporary value theorists, Milton Rokeach is often considered the most influential, with much research building on his foundational work. According to Rokeach, values are enduring beliefs that are culturally derived and central in guiding people’s attitudes and actions (Clawson & Vinson, 1978; Fournier & Richins, 1991). Rokeach defines values as being either terminal end-goals, such as wisdom, equality and family security, or instrumental, in that they help achieve such end-goals (Rokeach & Ball-Rokeach, 1989). Examples of such instrumental values are honesty and logic.

In order to measure values and value hierarchies, the Rokeach Value Survey (RVS, Rokeach & Ball-Rokeach, 1989) was designed. The survey consists of two sets of 18 values that are to be ranked in order of perceived importance. The first set represents terminal values, and the second instrumental values. While many studies have utilised the RVS, or some version of it, it has been criticised for omitting values that are potentially held by many populations, as well as for its ranking method (e.g. Clawson & Vinson, 1978)

Schwartz’s circumplex of life values

Another prominent theorist on life values is Shalom H. Schwartz. Drawing on the research of Rokeach, his theory defines values as ‘desirable, trans-situational goals, varying in importance, that serve as guiding principles in people’s lives’ (Schwartz, 1996, p. 122). With the aim of being comprehensive and universal, the theory addresses two basic issues in research on human values: what the content (i.e. nature) of values is, and how values can be organised.

The theory states that the essential content of a value is the motivational goal that it expresses, as a response to three universal human requirements: the biological needs of
the individual, social or inter-relational needs, and societal requirements for group welfare and survival (Schwartz & Bilsky, 1987). Based on these needs, a total of ten motivationally distinct values, each comprised by several desirable goals, were derived: 

*power* (e.g. social status, wealth), *achievement* (e.g. ambition and personal success), *hedonism* (e.g. enjoying life), *stimulation* (e.g. novelty, excitement), *self-direction* (e.g. freedom, creativity), *universalism* (e.g. keeping an open mind, equality), *benevolence* (e.g. honesty, forgiving), *tradition* (e.g. acceptance, respecting others), *conformity* (e.g. obedience, politeness), and *security* (e.g. keeping social order and harmony) (Schwartz, 1996). The ten value types were tested using the Schwartz Value Survey (SVS) that consists of 56 items, some of which were taken from the Rokeach Value Survey, and thus include both instrumental and terminal values. In an extensive study with samples from more than 40 countries, the distinctiveness of the ten values received great support, indicating good cross-cultural consistency (Schwartz, 1992). No evidence, however, was found for the terminal-instrumental distinction of values. Later, the Portrait Value Questionnaire (PVQ, Schwartz et al., 2001) was devised. Consisting of 21 items, it measures the same values, but in a more concrete manner than Schwartz Value Survey, and has shown good validity in cultures that have less experience with, or education in, abstract, context-free thinking.

While some of the values are compatible with each other in the way that they are motivated by similar needs, others are in conflict. For example, tradition and conformity are two values that serve very similar conservative goals, and are therefore thought to be compatible.
Tradition and self-direction, however, are examples of conflicting values. The second facet of the theory deals with this dynamic relation among the values (Schwartz, 1994), by proposing a two-dimensional structure based on two major conflicts of four higher-order values: openness to change vs. conservation, and self-enhancement vs. self-transcendence (see Figure 1). Along these dimensions, the ten values are arranged in a circular manner. Values that are located at opposite sides of the circumplex are competing (i.e. motivated by goals that cannot easily be pursued at the same time), whereas values located close to one another are compatible (i.e. share similar goals). It follows that the closer the values are to each other on the continuum, the more similar are the goals that motivate them.
Value stability

The conception of values as an *enduring organisation of trans-situational goals* (Rokeach, 1973 in Seligman & Katz, 1996; Schwartz, 1992) implies that over space and time, values are considered stable phenomena. Indeed, this is a working assumption in most research on human values (Seligman & Katz, 1996).

Schwartz (1992) states that variation in the value structure, as a response to major societal disruptions, would be unlikely. In any such case, changes would be temporary and the basic two-dimensional structure would still remain. It is, however, unclear if this statement entails how values are prioritised, or just their basic organisation. However, in an extensive study, on stability and change in American values, Rokeach and Ball-Rokeach (1989) concluded that there had been little change in overall value ratings over a period of 13 years. Agreeing with this, Braithwaite and Blamey (1998) suggested that the abstract, higher-order nature of values in itself makes them quite resilient to change. In a study investigating the level of consensus in social principles (i.e. goals/values), they also concluded that because values are shared understandings of social conduct, and misbehaviour will lead to disapproval, values can be expected to have a high degree of stability. Similarly, at an individual level, values function as self-standards and a stable value structure is necessary to express self-consistency over time and situations (Seligman & Katz, 1996).

At the same time as arguing for stability, few theorists say that values are immutable. According to Richins and Dawson (1990), values shift with age and social condition. Schwartz (1992) also held that value structures are likely to evolve with time, as social conditions are transformed. While the research of Rokeach and Ball-Rokeach (1989) did support the stability factor in values, there were some indications of shifts in certain values, although the value system as a whole remained stable. Specifically, the
importance of equality seemed to decrease, which led to the conclusion that the American society had ‘shifted away from a collective morality orientation to a personal competence value orientation’ (Braithwaite & Blamey, 1998, p. 367). A study by Braithwaite and Blamey (1998) conducted in Australia across a 20-year period also suggested a generational shift in values, going from collectivistic goals, towards more individualistic ones. On the same note, Inglehart has consistently argued for a value-shift occurring in advancing industrial societies from the 1970s and the following three decades (Inglehart, 1977, 2008; Inglehart & Abrahamson, 1994). He explains the shift as a cohort effect, where older generations cling to more materialistic goals, and younger generations are attracted to other goals, such as innovation and self-actualisation. He identifies this in both poor and rich countries. This intergenerational change, however, “by its nature, moves very slowly” (Inglehart, 2008, p. 131.)

Together this suggests that while values are not immune to a changing society, potential change, however, is a slow-moving process. The stability in values may be due to the higher-order, abstract nature of values as well as the behavioural conflicts that upholding different values may result in. In addition, a swift change in values would mean upholding values that may be conflicting with the standards of the society, as well as with one’s self-presentation.

**Materialism**

Considering Schwartz’s (1992) theory on life values, there is a strong reference to be drawn from the discourse following the economic collapse, to a specific conflict in the circumplex: self-enhancement versus self-transcendence. Self-enhancement values such as power and achievement are motivated by financial success and social status, reflective of the materialistic value orientation that people were encouraged to abandon following
the economic collapse. Self-transcendence values such as benevolence and universalism, on the other hand, are motivated by care for the well-being of one’s family and community, which was what was being called for. The next section focuses on this value, materialism, which by many was considered the root of the problem to the economic crash.

**Defining materialism**

The concept of materialism roots back to the philosophical notion that all that exists is matter, and that everything, including abstracts such as the mind and the soul, is to be explained by material events (Popkin & Stroll, 1981). Although within the field of psychology/sociology the conception of materialism is quite different, it still entails that material things play a central role in a person’s life (Fournier & Richins, 1991).

To a materialistic person, possession acquisition appears to be central in itself, as well as to happiness and feelings of success (Richins & Dawson, 1992). Indeed, materialism has been described as the belief that life-satisfaction and well-being can be enhanced with the acquisition of objects (Burroughs & Rindfleisch, 2002). Referred to as a “consumption-based orientation to happiness-seeking” (Ger & Belk, 1996), materialism is a key concept within consumer psychology. At the societal level, a materialistic culture is said to exist when the consumption of goods, for novelty or status seeking reasons, are central to the majority of the people in it (Fournier & Richins, 1991; Richins & Dawson, 1992).

The consensus amongst researchers appears to be that materialism is maladaptive for the individual and the society (Chang & Arkin, 2002), because materialistic behaviour, or self-indulgent consumption, much like in Schwartz’s circumplex, conflicts with a collective-value orientation: factors such as altruism and social welfare (Burroughs &
Rindfleish, 2002; Ger & Belk, 1999). In addition to this, it is related to higher levels of depression and anxiety, and lower levels of happiness and vitality (Belk, 1984; Kasser & Ahuvia, 2002; Kasser & Ryan, 1996). On the other hand, materialism is considered an important part of identity construction, where material goods are used to construct a sense of self as well as an expression of that self, as well as indicate social and cultural standing (Dittmar, 2004; Richins, 1994).

**Materialism as a personality trait**

One of the initial attempts to investigate materialism empirically was made by Russel W. Belk (1984). Belk defines materialism as an orientation that “reflects the importance a consumer attaches to worldly possessions” (Belk, 1984, p. 291), and considers materialism to be deeply grounded in a person’s personality. He therefore devised the Belk Materialism Scale (BMS), said to measure three materialistic personality traits: possessiveness, nongenerosity, and envy. Because of their strong association with materialism, the sum of the measures of these traits was thought to be an accurate measure of materialism itself (Belk, 1985; Fournier & Richins, 1991).

Although possessiveness, nongenerosity and envy may be characteristics related to materialism, Belk’s suggested measures have not been sufficiently supported by subsequent research, often reporting low reliability (Richins & Dawson, 1992). His approach fails to include other important elements of materialism, such as various behavioural characteristics, beliefs and attitudes, as reflected in both theoretical and popular notions (Fournier & Richins, 1991). In addition, inferring materialism from measures of related traits has been criticised (Richins & Dawson, 1992), especially since materialism is thought to be highly influenced by the outer environment, and therefore may not fit the conceptualisation of a stable, inherent trait (Richins & Dawson, 1990).
Materialism as a value

Richins and Dawson (1992) conceptualise materialism as a value, defining it as “a set of centrally held beliefs about the importance of possessions in one’s life” (p. 308). These beliefs are said to guide individuals in the pursuit of higher-end goals, which is consistent with the conception of a value (e.g. Schwartz & Bilsky, 1987). Based on a review of literature on materialism, Richins and Dawson conclude that materialistic people are characterised by a strong belief that their happiness and well-being is dependent on material goods. They value possessions and their acquisition to a greater extent than other life goals, and are self-centred in that they pursue individual goals, rather than community goals. In addition, a materialistic person prefers a life of material complexity rather than material simplicity, and tends to be less satisfied with life (Richins & Dawson, 1992).

Drawing on theoretical definitions, and a study on popular notions of materialism (Fournier & Richins, 1991), Richins and Dawson (1992) identified three dimensions of materialism. The first was labelled *centrality*, and concerns the fact that possession and their acquisition are central to materialists, to the extent that it brings meaning and purpose to their lives. The second dimension, *success*, addresses the fact that materialists judge their own and others success by the quantity and quality of possessions owned. While material goods do play a part in self-identity formation and expression (Dittmar, 2004; Richins, 1994), highly materialistic people judge success based on how well they can project their identity with material goods (Richins & Dawson, 1992). The last dimension of materialism is *happiness*, which concerns the belief that possessions and their acquisition is the greatest source of happiness and life-satisfaction.

To measure materialism, they developed the Material Values Scale (MVS, Richins & Dawson, 1992). The scale consists of 18 propositions relating to the three domains of
materialism, with six-point Likert-scale ratings. For example, the success domain is tested with propositions such as ‘the things I own say a lot about how well I’m doing in life’, while propositions such as ‘I’d be happier if I could afford to buy more things’ are relevant to the happiness domain, and ‘I enjoy spending money on things that aren’t practical’ taps into the domain of centrality (Richins & Dawson, 1992).

Although the 18-item MVS showed good reliability (Richins & Dawson, 1992), an evaluation of its subsequent use in research resulted in the development of a shorter version (Richins, 2004). The main reason for this was that the scale was generally considered too long to be included in research that employed more than one measure. In addition, the three dimensions of materialism were not consistently identified, one possible reason being that the domains were weighted unevenly by the number of items relating to each of them. Subsequently, a 15-item scale was recommended, with five items relating to each dimension of materialism. In addition, a nine-item version also indicated acceptable levels of reliability and validity as a measure of materialism (Richins, 2004).

A drawback of Richins and Dawson’s approach is that it focuses on the importance of materialistic values only, and fails to consider them in relation to other life values. As apparent in Schwartz’s (1994) circumplex, the dynamic relation amongst all values is what guides attitude and behaviour, and a single value is rarely a good indicator. The third and final approach to materialism, where its relation to other major life values is taken into consideration, is discussed in the next section.

Materialism as a financial goal

Kasser and Ryan (1993) define materialism as a financial goal and, just like Schwartz, argue that the importance of life goals should be investigated in terms of their inter-
relations. Their approach is humanistic and is based on the Self Determination Theory (SDT, Deci & Ryan, 1985), which identifies three essential human needs (i.e. autonomy, competence, and relatedness). The theory states that behaviour is distinguished according the motivation behind it (Ryan & Deci, 2000). Accordingly, Kasser and Ryan (1993, 1996) define goals as being either intrinsically or extrinsically motivated. Intrinsic goals relate to goals with self-actualisation tendencies, and are therefore inherently rewarding and satisfying. Examples of such goals are family and community relations, and personal growth. Goals such as financial success, social recognition and appearance are on the other hand defined as extrinsic, because they are motivated by external approval and recognitions, and do not provide satisfaction in themselves.

By Kasser and Ryan’s definition, an individual is considered materialistic if he or she values financial success highly in relation to other goals. To assess the relative centrality of a person’s goals, they developed the Aspiration Index (AI, Kasser & Ryan, 1993). The AI lists a number of aspirations, relating to either intrinsic or extrinsic goals that are to be rated on two dimensions. The first dimension measures their personal importance, whereas the other assesses the perceived likelihood that they will be realised. The AI has shown good reliability in a number of studies. Most often, it has been used to investigate how the relative centrality of extrinsic versus intrinsic goals is associated to various measures of well-being and life satisfaction, repeatedly reporting that a focus on extrinsically motivated goals is related to lower levels of well-being (e.g. Kasser & Ahuvia, 2002; Kasser & Ryan, 1993, 1996; Schmuck, Kasser & Ryan, 2000).

In an extensive cross-cultural study, Grouzet et al. (2005) found that a total of 11 goals (seven of which were taken from the AI) could be arranged in a circular manner, with competing and compatible life goals, similar to that of Schwartz’s (1992) circumplex. In addition to the extrinsic vs. intrinsic dimension, they added the self-
transcendent vs. physical dimension, to represent goals such as spirituality and hedonism.

Although materialism undoubtedly entails the aspiration of financial success, one drawback of Kasser and Ryan’s theory is defining materialism by the centrality of this life goal only (Garðarsdóttir, 2007). Although the other extrinsic goals do fit the characteristics of a materialist, as defined by Richins and Dawson (1996), it excludes other important facets of materialism, such as to what extent money or possessions bring happiness or social status, and to what degree they are instrumental in forming and projecting one’s identity.

**Stability and change in materialism**

Based on the work of Richins and Dawson (1992), where materialism is considered a value, and that of Kasser and Ryan (1993, 1996), where it is defined as a financial goal, along with the previous discussion on value stability, materialism should be a fairly stable concept. However, research on this topic is scarce, although some implications have been made.

Csikszentmihalyi and Rochberg-Halton (1981) were among the first to speak of changes in materialism. When investigating the materialistic ‘focus’ of individuals of three generations, they found that both the nature of the possessions, and the reasons given for cherishing them, differed systematically between the three generations. Shortly after, Beck (1985), who conceptualised materialism as a trait, reported similar results, although these suggest differences in materialism at a generational, rather than individual, level. In his study, the younger, mid, and older generations differed significantly in level of materialism, as measured with the Beck Materialism Scale. Similarly, in the 70’s, Inglehart predicted that a shift in values was about to take place
(Inglehart, 1977). More than three decades later he concluded that this had in fact happened. Newer generations were said to have moved towards more post-materialistic values, whereas older generations had clung to a more materialistic outlook on life (Inglehart, 2008). According to him, prosperity, as well as a diminished sense of economic security, can cause slow-moving, long-term changes in value priorities, and this, Inglehart claims, was exactly what had happened.

Notwithstanding these notions of slow-process changes, which together point to materialism being fairly steady, some research suggests that certain factors can briefly alter the level of materialism. According to Inglehart and Abramson (1994), people’s value priorities reflect their socioeconomic environment. Drawing on this, Inglehart (2008) proposed the scarcity hypothesis, which states that “material sustenance and physical security are immediately linked with survival, and when they are scarce people give top priority to these ‘materialistic’ goals” (p. 131), which was to illustrate a short-term value change that may come in times of economic recession. According to Deci and Ryan (2000) and the Self Determination Theory, when people fail to have their basic psychological needs met, they compensate by focusing on extrinsic, materialistic goals. On that same note, Sheldon and Kasser (2008) tested the effects of induced feelings of existential, economical, and interpersonal threat on goal orientation. They found that when induced with such feelings, people oriented towards more extrinsic goals (financial success, image and popularity) and less towards intrinsic goals (personal growth, affiliation and community feeling). Others (e.g. Chan & Arkin, 2002) have found an increase in materialistic behaviour, when induced with feelings of self-doubt, loss of control or normlessness (i.e. lack of behavioural guidelines). According to a recent study conducted in Iceland shortly after the collapse, the materialistic concerns of
the Icelandic people did, in fact, increase over a period of six months shortly after the initial crisis (Kasser, et al., 2013).

Materialism, as a value or financial goal, appears to be a steady concept, changing from generation to generation. However, when primed with various feelings of insecurity, materialistic goals and behaviours may be temporarily facilitated. As a coping response, materialism may indeed provide purpose and meaning, in environments of insecurity (Chan & Arkin, 2002).

While the society at the time of the financial crisis may have been reflective of a materialistic society, the questioning of the values of Icelanders may have been uncalled for. The final subchapter discusses the relationship between behaviour and values, and shines light on how weak definitions of attitudes and values may be misleading.

**The value-behaviour relationship**

Naturally, the way of pursuing a value is to behave in ways that help achieve goals related to them. For example, in the pursuit of power, people may take well-paid jobs to gain wealth. However, although values are thought to guide and motivate attitudes and behaviour (Schwartz, 1992; Verplanken & Holland, 2002), research suggests that the actual value-behaviour relationship is quite weak.

Studies that aim to infer about values from behaviour, and vice versa, show inconsistent results, where some argue for a rather strong association between the two (e.g. Rokeach & Ball-Rokeach, 1989), and others argue against this (e.g. Schwartz, 1996). One of the major methodological issues in such research is that values and behaviour function at different levels, where values are general, but behaviours are specific (Beatty, Kahle, Homer & Misra, 1985; Ajzen, 1991). According to Schwartz (1996), values are poor predictors of behaviour, because they are, as per definition,
trans-situational while behaviours are context specific. Indeed, many are sceptical towards the predictive power of values, compared to other more context sensitive concepts, such as needs, interests or norms (Braithwaite & Blamey 1998).

In many studies, no distinction is made between values and attitudes, and measures of the latter are often employed as means of measuring values. According to Verplanken and Holland (2002), values and attitudes are two distinct constructs in that an attitude functions as an expression of a value, something that should be reflected in how they are measured. In addition to this, Ajzen (1991) state that measures of general attitudes cannot predict specific behaviour, because such measures do not take into account other situation-related factors. According to him, in order for attitudes to influence behaviour, an individual must have a perceived control of the behaviour, which in turn must be a socially accepted behaviour that the person is motivated to comply with. On a similar note, Bardi and Schwartz (2003) concluded that while values and attitudes motivate behaviour, normative factors might obscure these relations.

In light of his theory on value content and structure, Schwartz (1996) also criticises the use of single values as predictors or explanations of behaviour. According to him, attitudes or behaviours do not express a single value, but rather a compromise between conflicting values that a situation may elicit. Therefore, values may be reflected in behaviour only when there is a value conflict that emerges from a specific situation, where the ‘stronger’ value would have the final say. Similarly, Verplanken and Holland (2002) argued that values can affect behaviour, but only when they are activated, or primed. In their study, they showed that participants made choices consistent with environmental values, when primed with such values. The more central to a person’s self-concept that the value was (based on ratings prior to the priming), the more likely it was to be activated. In addition, the people to whom environmental values were central
to the self-concept, but who were not primed with such values, made choices that were inconsistent with this value. This suggests that the more important a value is to a person, the greater influence it may have on behaviour (Schwartz, 2006). However, as demonstrated by Verplanken and Holland, this relation is dependent on specific situations to (potentially) activate these values. In addition, because the value activation and behaviour occur simultaneously, it is difficult to know, in any specific situation, to what degree the behaviour is actually influenced (Verplanken & Holland, 2002).

Drawing on this, it is possible that what was happening in Iceland prior to the economic crash, was the constant priming of materialistic values, and that this, in turn, led to increased materialistic behaviour. As discussed, however, materialistic behaviour is not necessarily indicative of a materialistic value orientation. Therefore, and in the light of previous discussion on value stability, the call for an instant shift in values may not only have been based on a misunderstanding of the nature of values, but simply unwarranted.

Rationale and presented research

Given that materialistic values are likely to increase in times of economic recession, as a response to the financial insecurity that naturally follows, (Inglehart, 2008; Sheldon & Kasser, 2008), it is possible that, in the aftermath of the economic crash, materialistic values should increase. According to a recent study conducted in Iceland by Kasser et al. (2013) shortly after the collapse, this was exactly what happened. However, as suggested by the literature, this increase may have only been temporary.

Furthermore, the financial collapse in Iceland resulted in a call for a shift from materialism, to greater concern for family and community, which would suggest an expected decrease in materialism. This, however, may be based on the faulty assumption
that the heavy consumption behaviour of the Icelandic people prior to the crisis is indicative of a materialistic value orientation. Finally, it is possible that the collapse has had no effect whatsoever on the materialistic values of the Icelandic people. As discussed, because of the relatively stable nature of values, any potential effect that the financial crisis may have had on the materialistic values may not be evident until next the generation comes of age.

The financial crisis, then, offers a unique opportunity to study value change in general, and materialism in particular, following a major societal disruption. The next chapter of this thesis presents a study where the stability of Icelanders’ materialistic values was investigated over a 17-month period, from 2010-2012, following the financial collapse. The presented research is part of the second of two larger-scale studies investigating changes in materialistic values and their association with other variables (e.g. well-being), following the economic crash.

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Chapter 2
Stability of values: Materialism in Iceland following the economic collapse

The presented research examined whether changes occurred in Icelanders’ materialistic values and life goals, following the financial collapse of 2008. Longitudinal data was collected on three occasions: November 2010 ($N = 609$), August 2011 ($N = 357$), and April 2012 ($N = 336$). The sample included both male and female (77%) students and employees of various occupations, aged from 18 to 71 years. Results suggested no significant changes in Icelanders’ ratings of materialistic values, nor importance placed on goals such as financial success, image or popularity. However, family and community goals decreased minimally in importance. In addition, Icelanders consistently prioritised family and community values over materialistic goals, which is in accordance with research conducted prior to the economic crash.
Values have been defined as enduring beliefs about what is personally and socially preferable conduct and as higher-end goals that transcend specific situations (Rokeach, 1973 in Seligman & Katz, 1996; Schwartz, 1992). At an individual level, values function as internalised standards that are central in guiding attitudes and behaviour (Rokeach, 1973 in Fournier & Richins, 1991; Verplanken & Holland, 2002). Within a society, they represent shared understandings that bring meaning and integration (Braithwaite & Blamey, 1998; Clawson & Vinson, 1978).

The conception of values as enduring and trans-situational suggests that, over time and space, they are fairly stable. Indeed, value stability is necessary for both the self and the society to express consistency (Braithwaite & Blamey, 1998; Seligman & Katz, 1996). In an extensive study on American value priorities, Rokeach and Ball-Rokeach (1989) noted an impressive stability in the overall value system, concluding that there had been little change in Americans’ value priorities over a period of 13 years. However, few theorists consider values immutable. Indeed, values are said to change with age and social conditions (Richins & Dawson, 1990; Schwartz, 1992) and from generation to generation (Braithwaite & Blamey, 1998; Csikszentmihalyi & Rochberg-Halton, 1981; Inglehart, 2008). Although this suggests that value change in general is a slow-moving process (Inglehart, 2008), studies have shown that major societal disruption may result in a temporary shift in values. For example, a study conducted in Finland following the 9/11 terrorist attacks in New York City showed that people valued family, communal, and national security more than before the attack. However, after a relatively short period of time, there were signs of security values returning to their previous levels (Verkasalo, Goodwin & Bezmenova, 2006).

In 2008, the worldwide financial crisis impacted heavily on Iceland. This exemplifies the sort of social upheaval that could potentially challenge people’s values. In the
discourse that followed, some immediately acknowledged materialistic values as the root of the problem, which led to a call for reappraisal and shift in values. In two national assemblies in 2009 and 2010, an attempt was made to find the ‘ideal’ values (Þjóðfundur, 2009) upon which the Icelandic society should be based. Subsequently, Icelanders were encouraged to abandon their strongly held materialistic values, and start prioritising their families and the community.

According to Schwartz (1992), values are comprised of several goals and can be organised in a circular manner, based on behavioural conflicts that result from pursuing these goals. There is a strong reference to be drawn from the discourse on Icelanders’ value priorities, to a particular value conflict in Schwartz’s circumplex: the conflict between self-enhancing and self-transcending values. Self-enhancing values consist of valuing achievement and power, which are motivated by the goals for personal and financial success and social status. Such goals are reflective of a materialistic value orientation, which was said to have been prevailing during the period leading up to the financial crisis. These values, in turn, are at conflict with self-transcending values, consisting of benevolence and universalism, which are motivated by the goals of care and concern about the well-being of one’s family and close community, extending to all humankind. These are the ‘ideal’ values that Icelanders were being encouraged to cultivate in the aftermath of the financial collapse.

Grouzet et al. (2005) indicate a similar contrast. According to their research, materialism is the relative importance of financial success to other life goals, as measured with the Aspiration Index (AI, Kasser & Ryan, 1993). Based on the Self Determination Theory (SDT, Deci & Ryan, 1985), they state that financial success, along with image and popularity, is an extrinsically motivated goal, because it depends on external rewards and recognition. Such goals are incompatible with intrinsic goals,
such as family and community relations, and personal growth, which are rewarding and satisfying in themselves (Kasser & Ryan, 1993). Thus, a materialistic society is said to exist if extrinsic goals are of greater importance than intrinsic goals, to the majority of the people in it (Fournier & Richins, 1991; Richins & Dawson, 1992). Again, the public discourse following the financial crisis claimed that such a materialistic society existed in Iceland.

According to Inglehart and Abramson (1994) a materialistically orientated society is reflective of an insecure socioeconomic environment. Indeed, when economic resources are scarce, and people experience financial threat, they tend to compensate by focusing on extrinsic, materialistic goals and financial resources (Chan & Arkin, 2002; Deci & Ryan, 2000; Inglehart, 2008; Sheldon & Kasser, 2008). This suggests that, contrary what was being called for, following an event such as the economic crash, where financial and psychological insecurity on both a personal and societal level is to be expected, materialism is more likely to increase. A study conducted in Iceland shortly after the collapse revealed that this in fact was the case (Kasser et al., 2013). Over a 6-month period following the economic crash, a majority of the respondents gave increasing priority to materialistic values and goals. According to Inglehart (2008), however, such changes in materialistic value priorities are most often short-lived.

While Icelandic society at the time of the financial crisis may have been materialistic in terms of materialistic behaviour, the questioning of the values of Icelanders may have been unwarranted. Instead, it is possible that these behaviours, e.g. heavy consumption and high credit, were the sole problem, rather than the value priorities being wrong. According to a considerable amount of literature, the direct relationship between values and behaviour is quite weak (e.g. Braithwaite and Blamey, 1998; Schwartz, 1996; Verplanken & Holland, 2002), and according to Schwartz (1996) no single value can be
inferred from how we behave, because behaviour is always a matter of the interplay of compatible and conflicting values. Additionally, values only indicate desirable attitudes and behaviour, but in any situation there are other factors that are more likely to have a direct influence on behaviour, such as whether the action is socially acceptable or under volitional control (Ajzen, 1991; Bardi & Schwartz, 2003; Braithwaite & Blamey, 1998). Therefore, the materialistic behaviour of the Icelandic people is not necessarily indicative of a materialistic value orientation. In fact, results from studies conducted in Iceland before and after the economic crash (Garðarsdóttir, Árnadóttir, Dittmar & Bond, 2011) strongly contradict the claim that Icelanders prioritised materialistic values over and above family or community values. According to these studies, using both Schwartz’s Portrait Values Questionnaire (PVQ, Schwartz et al., 2001) and the Aspirations Index (Kasser & Ryan, 1993), the opposite was true. Icelanders consistently prioritised the family and community values that had been presumed to be lacking. In addition, the materialistic values thought to have been prevailing were consistently rated as the least important, which suggests that how Icelanders prioritised their values was never the problem. Values, nevertheless, have been shown to potentially affect behaviour if they are activated (i.e. primed). A study by Verplanken and Holland (2002) demonstrated that people made choices consistent with environmental values, if they had been primed with such values. Drawing on this, it is possible that what was happening in Iceland prior to the economic crash, when Iceland was financially prosperous, was the constant priming of materialistic values via media and marketing, and that this, in turn, led to increased materialistic behaviour (Garðarsdóttir et al., 2011). Subsequently, this may have led to the faulty assumption that the Icelanders’ value priorities were wrong.

The research presented in this article is part of larger-scale studies investigating shifts in materialistic values and their association with other variables (e.g. well-being),
following a major societal disruption. The aim of the current study was to investigate potential shifts in Icelanders’ materialistic value priorities, following the financial collapse of 2008, presenting longitudinal data ranging from 2010 to 2012. Given that materialistic values are likely to increase in times of economic recession, as a response to the financial insecurity that naturally follows, (Inglehart, 2008; Sheldon & Kasser, 2008), it is possible that, in the aftermath of the economic crisis, materialistic values should increase, which according to a study conducted in Iceland shortly after the collapse (i.e. Kasser et al., 2013), was exactly what happened. As suggested by the literature, however, this increase may have only been temporary. On the other hand, the financial collapse resulted in a call for a shift away from materialistic values, which would suggest an expected decrease in materialistic concern. Finally, it is possible that, because of the relatively stable nature of values, there are no changes in the importance of materialistic values of the Icelandic people, since any potential effect that the financial crisis may have had may not become evident until the next generation comes of age.

Additionally, in line with results from previous studies, it was expected that intrinsic goals (i.e. community, affiliation and self-acceptance) would be rated more important than extrinsic goals (i.e. financial success, image and popularity).

Method

Participants and procedure

The study\(^1\) was a longitudinal design with data collected at three occasions: in November 2010 (\(N = 609\)), August 2011 (\(N = 357\)), and April 2012 (\(N = 336\)).

\(^1\) We are most thankful to the Icelandic Centre for Research who funded the study, Project Grant no. 100616022
Participants were recruited via snowball sampling using both e-mail and social media. Participants were asked to answer an online questionnaire and forward the link to their contacts. A total of 609 participated at time 1, 16.3% of which were students and 72.3% were employees in a range of occupations, aged 18-71 years ($M = 38.08, SD = 10.65$). 469 were women and 140 were men. Towards the end of the questionnaire participants at time 1 were asked if they were willing to participate in two follow-up studies and were asked to provide contact details. Eighty-eight percent agreed to participate again, and of the 539 agreeing 357 completed at time 2 (aged 19-71 years, $M = 40.14, SD = 10.57$; 271 women and 77 men) and 336 at time 3 (aged 23-70, $M = 41.16, SD = 10.09$; 259 women and 74 men). Inconsistencies in total number of participants and participants’ reported gender are due to missing data in background information. Attrition analyses revealed that people of older age, with higher educations and professional occupations were more likely to participate in the follow-up studies. Following both the second and third occasion, two reminders were sent out with a one-week and a ten-day interval. At all time points, participants were offered to enter into a prize draw to win theatre tickets as compensation for their participation.

**Measures**

A questionnaire was constructed and included measures of materialism and demographics, as well as other variables that were not of interest to the current article. All scales were presented in Icelandic.

*Materialism* was assessed using a short form of the Material Values Scale (MVS, Richins, 2004, Icelandic translation Ragna B. Garðarsdóttir), which measures three dimensions of materialism (centrality, happiness and success). Nine items were rated on a 7-point Likert-type scale ranging from completely disagree (1) to completely agree (7), where higher ratings indicate more materialistic values. Internal consistency was high,
α = .85, α = .83, α = .84 for time one, two and three respectively.

**Goals.** The Aspiration Index (AI, Kasser & Ryan, 1996, Icelandic translation Ragna B. Garðarsdóttir) was used to assess the importance of six life goals, three extrinsic (image, popularity and financial success) and three intrinsic (affiliation, self-acceptance and community feeling). A total of 24 items were rated on a 7-point Likert-type scale, ranging from extremely unimportant (1) to extremely important (7). Internal consistency was good at all three occasions: extrinsic: $\alpha = .86$, .85, .85, and intrinsic: $\alpha = .86$, .83, .86, respectively.

**Results**

The importance ratings of the six goals assessed by the Aspiration Index are shown in Table 1. As expected, Icelanders consider the intrinsic goals of affiliation, self-acceptance, and community feeling most important, whereas financial success, image, and popularity are of least importance.

<table>
<thead>
<tr>
<th>Goal</th>
<th>Time 1 M</th>
<th>Time 1 SD</th>
<th>Time 2 M</th>
<th>Time 2 SD</th>
<th>Time 3 M</th>
<th>Time 3 SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affiliation</td>
<td>6.50</td>
<td>0.72</td>
<td>6.55</td>
<td>0.60</td>
<td>6.50</td>
<td>0.66</td>
</tr>
<tr>
<td>Self-acceptance</td>
<td>6.10</td>
<td>0.71</td>
<td>6.20</td>
<td>0.56</td>
<td>6.13</td>
<td>0.61</td>
</tr>
<tr>
<td>Community feeling</td>
<td>5.50</td>
<td>0.89</td>
<td>5.51</td>
<td>0.81</td>
<td>5.41</td>
<td>0.87</td>
</tr>
<tr>
<td>Financial success</td>
<td>3.72</td>
<td>1.10</td>
<td>3.61</td>
<td>1.00</td>
<td>3.65</td>
<td>0.98</td>
</tr>
<tr>
<td>Image</td>
<td>3.70</td>
<td>1.11</td>
<td>3.62</td>
<td>1.07</td>
<td>3.46</td>
<td>1.05</td>
</tr>
<tr>
<td>Popularity</td>
<td>2.42</td>
<td>1.24</td>
<td>2.25</td>
<td>1.14</td>
<td>2.23</td>
<td>1.18</td>
</tr>
</tbody>
</table>

Three repeated-measures ANOVAs were performed for the MVS, AI-Intrinsic, and AI-Extrinsic separately, to test whether there were any changes in ratings of materialistic
values on one hand, and extrinsic/intrinsic goals on the other over the period in question. Descriptive statistics for all three scales are displayed in Table 2. The results suggest no significant changes in Icelanders’ materialistic value ratings, $F(2, 586) = 0.40, p = .671$, as measured with the MVS. The analysis for extrinsic goals also suggest no significant changes in importance ratings, $F(2, 592) = 1.96, p = .141$, over the period in question. The analysis for AI-Intrinsic was however significant, $F(2, 587) = 10.32, p < .001$ following the Huynh-Feldt correction ($\varepsilon = .991$), and post-hoc tests (adjusted using the Bonferroni method) suggest that the importance of the intrinsic goals of self-acceptance, affiliation and community feeling decreased from time 1 to time 3, as well as time from 2 and time 3. However, albeit significant, the changes are minimal, and likely due to the high number of participants.

Table 2

Descriptive statistics for the three scales at all time points.

<table>
<thead>
<tr>
<th>Scale</th>
<th>Time 1</th>
<th></th>
<th>Time 2</th>
<th></th>
<th>Time 3</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$M$</td>
<td>$SD$</td>
<td>$M$</td>
<td>$SD$</td>
<td>$M$</td>
<td>$SD$</td>
</tr>
<tr>
<td>MVS</td>
<td>3.03</td>
<td>1.00</td>
<td>2.91</td>
<td>0.92</td>
<td>2.88</td>
<td>0.93</td>
</tr>
<tr>
<td>AI - Intrinsic</td>
<td>6.03</td>
<td>0.63</td>
<td>6.09</td>
<td>0.51</td>
<td>6.01</td>
<td>0.56</td>
</tr>
<tr>
<td>AI - Extrinsic</td>
<td>3.28</td>
<td>0.91</td>
<td>3.16</td>
<td>0.84</td>
<td>3.11</td>
<td>0.84</td>
</tr>
</tbody>
</table>

Discussion

The aim of this study was to investigate whether shifts would take place in materialistic values and life goals following a major societal disruption, using the financial collapse of 2008 in Iceland as a backdrop. The discourse that followed the collapse suggested that the prevailing values had been materialistic and detrimental to society and that in order to recover from the crisis, a shift towards family and community values was necessary.
The results revealed that over a period of 17 months from November 2010 to April 2012, the materialistic values of Icelanders remained basically unchanged. Specifically, Icelanders neither seem to place increasing nor decreasing importance on goals such as financial success or image. Contrary to what was being asked for, however, the results do suggest that goals such as family, community, and self-acceptance are losing their importance. These changes, however, are minimal.

The results from the presented study suggest that the shift towards more materialistic values, as demonstrated by Kasser et al. (2013), so soon after the initial crisis may have only been a temporary coping response. This is in accordance with the literature, saying that people are likely to shift temporarily towards materialistic values when faced with the sort of psychological and financial threat that follows an event such as the economic collapse (Chan & Arkin, 2002; Deci & Ryan, 2000; Inglehart, 2008; Sheldon & Kasser, 2008).

Results from studies conducted in Iceland before the economic crash (Garðarsdóttir, Árnadóttir, Dittmar & Bond, 2011) indicate that the call for a shift in values may have been unwarranted, since Icelanders consistently rated family and community goals as more important than materialistic goals such as financial success and image. According to the presented study, this continues to be the case, which suggests that the value priorities of the Icelandic people are, and were, not of any concern. Instead, as discussed, it is possible that the heavy consumption-oriented behaviour of the Icelandic people might have led some people to falsely conclude that Icelanders were too materialistically orientated, hence the call for shift in values.

It is possible that the reason for the demonstrated stability in Icelanders’ materialistic values is that the financial crisis just did not have a strong enough impact on the society to cause an actual shift in value priorities. However, given that over a few months
shortly after the collapse, Icelanders did seem to undergo a shift towards more materialistic values, this seems unlikely. Rather, as much of a disruption to the society that the crash might have been, it is more likely that values, in their abstract and stable nature, are simply quite resistant to change. However, with value change generally being considered a slow-moving process, where values are likely to change with generations (e.g. Inglehart, 2008), it is possible that any potential value changes that the crisis may have set off may not become evident until much later. Of course, it is also possible that the measures employed in this study are not inclusive or precise enough to capture any value changes that the Icelandic society may in fact have undergone.

What this study does bring to light, however, is that people are most likely not able to change their values when requested or encouraged to do so. Furthermore, the call for a shift in values seems to have been grounded, not only in a misunderstanding of the nature of values in general, but in the assumption that materialistic behaviour is highly reflective of a materialistic value orientation. Fortunately, however, it seems as though, contrary to beliefs, the Icelandic society’s value priorities are where they ought to be: with the family and the community.
References


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