Mussweiler, T., & Strack, F. (1999a). Comparing is believing: A selective accessibility model of judgmental anchoring. In W. Stroebe, & M. Hewstone (Eds.), *European review of social psychology: Vol. 10* (pp. 135–167). Chichester, UK: Wiley.

Mussweiler, T., & Strack, F. (1999b). Hypothesis-consistent testing and semantic priming in the anchoring paradigm: A selective accessibility model. *Journal of Experimental Social Psychology, 35*, 136–164.

Mussweiler, T., & Strack, F. (2000a). The use of category and exemplar knowledge in the solution of anchoring tasks. *Journal of Personality and Social Psychology, 78*, 1038–1052.

Mussweiler, T., & Strack, F. (2000b). Numeric judgment under uncertainty: The role of knowledge in anchoring. *Journal of Experimental Social Psychology, 36*, 495–518.

Mussweiler, T., & Strack, F. (2001). The semantics of anchoring. *Organizational Behavior and Human Decision Processes, 86*, 234–255.

Mussweiler, T., Strack, F., & Pfeiffer, T. (2000). Overcoming the inevitable anchoring effect: Considering the opposite compensates for selective accessibility. *Personality and Social Psychology Bulletin, 26*, 1142–1150.

Nestle, F. O., Speidel, H., & Speidel, M. O. (2002). High nickel releare from 1- and 2-Euro coins. *Nature, 419*, 132.

Northcraft, G. B., & Neale, M. A. (1987). Experts, amateurs, and real estate: An anchoring-and-adjustment perspective on property pricing decisions. *Organizational Behavior and Human Decision Processes, 39*, 84–97.

Plous, S. (1989). Thinking the unthinkable: The effects of anchoring on likelihood estimates of nuclear war. *Journal of Applied Social Psychology, 19*, 67–91.

Schwarz, N. (1994). Judgment in a social context: Biases, shortcomings, and the logic of conversation. In M. P. Zanna (Ed.), *Advances in experimental social psychology* (pp. 123–162). San Diego, CA: Academic Press.

Strack, F., & Martin, L. L. (1987). Thinking, judging, and communicating: A process account of context effects in attitude surveys. In H. J. Hippler, N. Schwarz, & S. Sudman (Eds.), *Social information processing and survey methodology* (pp. 123–148). New York: Springer.

Strack, F., & Mussweiler, T. (1997). Explaining the enigmatic anchoring effect: Mechanisms of selective accessibility. *Journal of Personality and Social Psychology, 73*, 437–446.

Tversky, A., & Kahneman, D. (1974). Judgment under uncertainty: Heuristics and biases. *Science, 185*, 1124–1130.

Wilson, T. D., & Brekke, N. (1994). Mental contamination and mental correction: Unwanted influences on judgments and evaluations. *Psychological Bulletin, 116*, 117–142.

Wilson, T. D., Houston, C., Etling, K. M., & Brekke, N. (1996). A new look at anchoring effects: Basic anchoring and its antecedents. *Journal of Experimental Psychology: General, 4*, 387–402.

ELSEVIER

Available online at www.sciencedirect.com

SCIENCE DIRECT®

Journal of Economic Psychology 24 (2003) 293–299

JOURNAL OF Economic Psychology

www.elsevier.com/locate/joep

Attitudes towards the Euro by national identity and relative national status

Katja Meier-Pesti *, Erich Kirchler

Department of Psychology, University of Vienna, Universitaetsstrasse 7, A-1010 Vienna, Austria

Received 3 July 2001; accepted 20 November 2002

Abstract

The present study investigates the effect that the relative status of a nation in the European Monetary Union – in this case Austria – and national identity has on attitudes towards the Euro. Alternative assumptions deriving from social motivation theory and the common in-group identity model are tested. The study results provide evidence in support of the social motivation theory: respondents who perceived Austria's status as being lower than that of the other member states and who identified strongly with Austria also showed the strongest opposition to the Euro. Respondents who perceived Austria's status as being equal or even higher than the status of other European states were favourable in their attitudes towards the Euro as a symbol of the union, and national identity had no main effect on their attitudes towards the Euro.

JEL classification: E42
PsycINFO classification: 3320
Keywords: The Euro; National identity; Social identity theory

1. Introduction

In 2002 the national currencies of 12 European Union (EU) member states were replaced by the single European currency – the Euro. Regular measures of attitudes towards the EU and the Euro by Eurobarometer indicated in the spring of 2000 that 58% of EU citizens were in favour of the Euro, 33% were opposed to it, and

* Corresponding author. Tel.: +431-4277-47886.
E-mail addresses: katja.meier@univie.ac.at (K. Meier-Pesti), erich.kirchler@univie.ac.at (E. Kirchler).

0167-4870/03/$ - see front matter
doi:10.1016/S0167-4870(02)00195-2

the remaining 9% had neutral or indifferent attitudes. Attitudes towards the Euro may depend on economic expectations, feelings of national control over developments, and anticipation of social and political changes (Müller-Peters et al., 1998). A further determinant of acceptance or rejection of the single currency is national identity (Müller-Peters, 1998).

National identity contributes to personal identity and has positive effects on the peoples' self-esteem if the nation is positively evaluated. Since a nation is a large scale category in which it is impossible for all members to interact, the identification and attachment an individual feels towards his or her nation are based on the social representations he or she has formed of that nation. People develop representations of their nation and conceive of their nation as an imagined community (Anderson, 1983).

National identity may be strengthened and represented by various national symbols. Among other symbols, the national currency stands for economic fitness and autonomy (Helleiner, 1998). Following Breakwell's (1986) identity process theory, currencies are symbols of (a) the collective self-esteem of a nation, (b) national continuity, (c) differentiation and (d) efficacy. A highly stable currency and national wealth strengthen collective self-esteem. Currencies are planned as "long term projects" and support the desire for national continuity. Since currencies are restricted to a specific geographic area, they also serve to differentiate. Moreover, currencies symbolise sovereign power in monetary policy and efficiency.

Favouring the ingroup and/or discriminating against the outgroup in order to enhance ingroup esteem and consequently, group members' own self-esteem from belonging to the group is called ingroup bias. Tajfel (1974) posited ingroup bias as a conditional consequence of group identity, meaning that people identifying with their group tend spontaneously to devaluate out-groups.

The relative status of groups turned out to be an important moderator of group identification on ingroup bias (Brown, 2000). Kirchler, Palmonari, and Pombeni (1994) studied ingroup bias in juvenile peer groups. Negative discrimination was found only if the peer groups differed in status: groups with a low status who displayed socially disapproved behaviour were clearly devaluated by members of high-status groups who identified strongly with their group. In the case of equally perceived status, no ingroup bias was observable.

If two groups of different status are joined to create a single group, which is the case with merging enterprises (e.g., Bachmann, 1993) or with the European Monetary Union (EMU), the reactions of the two subgroups can be expected to differ. Following social motivation theory as described by social identity theory (Tajfel & Turner, 1985), members of the low-status group may perceive unification as a threat to their identity, especially if the boundaries between the groups are not permeable (Blanz, Mummendey, Mielke, & Klink, 1998) and if the process of unification is dominated by the high-status group. As a result, the tendency on the part of the low-status group to discriminate against the high-status group will increase and opposition to the aggregation may be intensified.

The common ingroup identity model (Gaertner, Dovidio, Anastasio, Bachman, & Rust, 1993), which is a modification of the Contact Hypothesis (Allport, 1954), predicts different effects of recategorization on the high and low-status group to social

motivation theory. Following the common ingroup identity model, the identity of a high-status group will be threatened when they are combined with a group of lower status, because aggregation challenges positive distinctiveness (Ellemers, Doosje, Knippenberg, & Wilke, 1992; Rust, 1998). The high-status group's loss of positive distinctiveness at the same time upgrades the low-status group. According to this model, members of low-status groups are not supposed to show ingroup bias and be in favour of aggregation.

The present study analyses attitudes towards the Euro. The aim of the EMU is to introduce a single currency and to establish joint monetary policy. If social motivation theory adequately describes people's attitudes towards unification and the single currency then people will oppose unification if they perceive the relative status of their nation to be *lower* than the average status of other EMU members states. In contrast, if the predictions of the common in-group identity model apply then people who perceive their nation to have a relatively *higher* status than other states will perceive EMU as threatening the positive distinctiveness of their nation and will, therefore, oppose both the EMU and the introduction of the Euro. In both models opposition will be especially high if people feel highly attached to and identify strongly with their own nation.

The hypothesis going into this study is that Austrian citizens who strongly identify with their nation will reject the Euro depending on their perception of Austria's relative status. According to social motivation theory, people who strongly identify with Austria should be strongly opposed to the Euro if they perceive Austria's relative status as low. According to the common ingroup identity model, opposition should be the strongest when identification is strong and the relative status of Austria is perceived as high.

2. Method

2.1. Sample

A sample of 1550 Austrians participated. The age of participants ranged from 13 to 88 years, with the average age being $M = 44.37$ years ($SD = 17.48$). With regard to formal education, 22.8% had attended primary school, 43.2% had completed vocational school, 25.4% held a secondary school diploma, and 9% had a university degree. The monthly net household income was between ATS 20,000 and ATS 30,000 (EUR 1453 to EUR 2180). The sample was representative for Austria except with regard to the level of formal education, which was slightly higher than average. Therefore, the sample was weighted in order to achieve a representative sample.

2.2. Material

Participants completed a questionnaire on (a) attitudes towards the Euro, (b) their identification with Austria, and (c) their perception of the relative status of Austria and other EMU states. Seven items developed in a former study (Müller-Peters

et al., 1998) were used to assess attitudes towards the Euro. For instance, one item read "the Euro is unreasonable or reasonable". Answers were provided on a bipolar, seven-point scale. The scale proved to be highly reliable (Cronbach $\alpha = 0.94$). Responses to the seven items were averaged. On average, Austrians were slightly in favour of the Euro ($M = 4.60$; SD = 1.72).

Identification was measured by three items reading as follows: "Do you identify with Austria and Austrians?", "Do you feel close to Austria and the Austrians?" and "Do you feel obligated to the Austria?". Responses ranged from 1 (not at all) to 7 (strongly). Cronbach α amounted to 0.92. Responses to the three items were averaged. In sum, identification with Austria was high with $M = 6.03$; SD = 1.17.

Austria's relative status as perceived by participants was assessed by three bipolar items: "Compared to the other EMU member states, is Austria generally worse off or better off?"; "Compared to the other EMU member states, is Austria economically worse off or better off?"; "Compared to the other EMU member states, is Austria politically worse off or better off?" All items were answered on a 7-point scale. Reliability was $\alpha = 0.86$. Again, responses to the three items were averaged. On average, participants perceived the status of Austria as slightly higher than the status of other member states ($M = 4.77$; SD = 1.21).

2.3. Procedure

An Austrian market research institute collected these data in the summer of 1998. The questionnaire was sent out to about 4000 people who were asked to complete it and to return it in an envelope. The return rate was 39%.

3. Results

It is hypothesised that attitudes towards the Euro will depend on identification with Austria and the perceived relative status of Austria. The sample was split on the median into low and high identifiers (Md = 6.33). In addition, the sample was split into three groups of people who perceived Austria's status as lower than, equal to, or higher than the status of other EMU member states. In sum, 255 participants stated that Austria's relative status was lower (scale values ranging from 1 to 3.67); 195 participants perceived Austria's status as equal to other member states (scale value was 4.00); and 1045 participants perceived Austria's status as higher (scale values ranging from 4.33 to 7).

A 2 by 3 analysis of variance [1] was computed, with attitudes towards the Euro as the dependent variable and identification and status as independent factors. The results revealed a highly significant effect from Austria's relative status ($F(2, 1384) = 151.86$; $p < 0.01$; $\eta^2 = 0.18$) and from identification ($F(1, 1384) = 12.15$; $p = 0.001$; $\eta^2 = 0.01$). Also, the interaction effect was significant ($F(2, 1384) = 10.17$, $p < 0.001$; $\eta^2 = 0.02$). [2]

[1] Alternatively a moderated regression analysis was computed with attitudes towards the Euro as dependent variable, identification (centered by sample's mean $M = 6.03$) and Austrian relative status (coded as −1 for lower status, 0 for equal status and +1 for higher status) as predictors and the interaction term (identification * status). Regression analysis was significant ($R^2(3, 1489) = 0.16^{**}$) with the function: $\hat{Y} = 4.12 + (-0.10)$ identification + 0.90 status + 0.15 (identification * status). Results therefore yielded same results as by analysis of variance.

Table 1
Attitudes towards the Euro (means and standard deviations) by relative status and identification with Austria

Identification with Austria	Perceived relative status of Austria		
	Low	Equal	High
Low	3.44 (1.75)[a]	4.82 (1.40)[c]	4.90 (1.42)[c]
High	2.47 (1.41)[b]	4.60 (1.50)[c]	4.96 (1.73)[c]

Note: Means with different superscripts differ significantly from each other ($p < 0.01$).

Post-hoc analyses revealed significant differences in attitudes towards the Euro between participants who estimated Austria's relative status as being relatively low and those who perceived its status as being equal to others or relatively higher. Attitudes towards the Euro were especially negative among those who both strongly identified with Austria and perceived its status as being relatively low. Table 1 shows the results.

4. Discussion

In Austria, a slight tendency to accept the Euro was observable (Meier & Kirchler, 1998). However, while more people accept the Euro, there is a large percentage of citizens against it. It was assumed that people's attitudes towards the Euro depend *interalia* on their identification with their own nation and on their perception of the status of their nation relative to the other EMU countries. Two concurring models were presented to explain the effects of relative status differences on group identities in case of aggregation: the social motivation model and the common ingroup identity model. While the social motivation theory predicts negative effects on the identity of the low-status group, the common ingroup identity model stresses the negative effects on the identity of the high-status group.

The results of this study are straightforward and strongly support the social motivation model derived from social identity theory. People who perceived Austria's status as being lower than that of other member states opposed the Euro and that opposition increased with the degree to which they identified with Austria. In the case of an equal or higher relative status of Austria, people showed moderate support of the Euro, and the effects of Austrian identity disappeared.

Why do social motivation theory and the common ingroup identity model lead to different consequences? It seems that social motivation theory and the common

[2] Sociodemographic variables (gender and age) were tested, but had no effects on the attitudes towards the Euro.

ingroup identity model are based on different perceptions of the superordinate group and consequently, on different dynamics in merging processes. At least two forms of aggregation have to be distinguished. The first is characterised by the superordinate group operating parallel to the groups constituting it and by the group boundaries continuing to persist. In this case, members may conceive of two distinct groups in the context of a superordinate category. This form of aggregation provides the possibility of dual-identities (Gaertner, Dovidio, Nier, Ward, & Banker, 1999) and applies, for instance, to the European identity which can co-exist alongside the national identities of member states. Identity management resulting from this form of aggregation is described by social motivation theory. The identity of the low-status group may be threatened, leading low-status group members to oppose unification.

In the second case, aggregation can be described as a process where distinct groups are integrated to create a single more inclusive superordinate group (e.g., by merging firms; Bachmann, 1993). Former group boundaries are relinquished, and separate group identities are replaced by the identity of the superordinate group. In this case, the common ingroup identity model should adequately predict identity management by the groups. Since the high-status group gives up its positive distinctiveness, aggregation threatens this group's identity.

In this study, predictions of social motivation theory are confirmed. This leads us to the speculation that Austrians perceive the EU as a network of autonomous states. Future research will include empirical measures on the perceptions of the EU and could clarify whether the explanatory power of social motivation theory and the common ingroup model are based on different perceptions of the superordinate group: if the EU is perceived as superordinate state, which substitutes importance of former member states, the common in-group identity model may best predict attitudes towards the Euro. If, on the other hand, the EU is perceived as a network of single, still autonomous states, social motivation theory may be applicable.

References

Allport, G. W. (1954). *The nature of prejudice*. Reading, MA: Addison-Wesley.

Anderson, B. (1983). *Imagined communities: Reflections on the origin and spread of nationalism*. London: Verso.

Bachmann, B. A. (1993). *An intergroup model of organizational mergers*. Unpublished Ph.D. Dissertation, University of Delaware, Newark, DE.

Blanz, M., Mummendey, A., Mielke, R., & Klink, A. (1998). Wechselseitige Differenzierung zwischen sozialen Gruppen: Ein Vorhersagemodell der Theorie der sozialen Identität. *Zeitschrift für Sozialpsychologie, 29*, 239–259.

Breakwell, G. M. (1986). *Coping with threatened identities*. London: Methuen.

Brown, R. (2000). Social identity theory: Past achievements, current problems and future challenges. *European Journal of Social Psychology, 30*, 745–778.

Ellemers, N., Doosje, B., Knippenberg, A., & Wilke, A. (1992). Status protection in high status minority groups. *European Journal of Social Psychology, 22*, 123–240.

Gaertner, S. L., Dovidio, J. F., Anastasio, P. A., Bachman, B. A., & Rust, M. C. (1993). The common ingroup identity model: Recategorization and the reduction of intergroup bias. *European Review of Social Psychology, 4*, 1–26.

Gaertner, S. L., Dovidio, J. F., Nier, J. A., Ward, C. M., & Banker, B. S. (1999). Across cultural divides: The value of a superordinate identity. In D. Prentice, & D. Miller (Eds.), *Cultural divides: The social psychology of contact* (pp. 242–256). New York: Sage.

Helleiner, E. (1998). National currencies and national identities. *American Behavioral Scientist, 41*, 1409–1436.

Kirchler, E., Palmonari, A., & Pombeni, M. L. (1994). Social categorization processes as dependent on status differences between groups: A step into adolescents' peer groups. *European Journal of Social Psychology, 24*, 541–563.

Meier, K., & Kirchler, E. (1998). Social representations of the euro in Austria. *Journal of Economic Psychology, 19*, 755–774.

Müller-Peters, A. (1998). The significance of national pride and national identity to the attitude toward the single European currency: A Europe-wide comparison. *Journal of Economic Psychology, 19*, 701–719.

Müller-Peters, A., Pepermans, R., Kiell, G., Battaglia, N., Beckmann, S., Burgoyne, C., Farhangmer, M., Guzman, G., Kirchler, E., Koenen, C., Kokkinaki, F., Lambkin, M., Lassarre, D., Lenoir, F.-R., Luna-Arocas, R., Marell, A., Meier, K., Moisander, J., Ortona, G., Quintanilla, I., Routh, D., Scacciati, F., Uusitalo, L., van Everdingen, Y. M., van Raaij, F. W., & Wahlund, R. (1998). Explaining attitudes towards the euro: Design of a cross-national study. *Journal of Economic Psychology, 19*, 663–680.

Rust, M. C. (1998). *Social identity and social categorization*. Unpublished Ph.D. Dissertation, University of Delaware, Newark, DE.

Tajfel, H. (1974). Social identity and intergroup behaviour. *Social Science Information, 13*, 65–93.

Tajfel, H., & Turner, J. (1985). The social identity theory of intergroup behavior. In S. Worchel, & W. G. Austin (Eds.), *Psychology of intergroup relations* (pp. 7–24). Chicago, IL: Nelson-Hall.