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RESEARCH ARTICLE

Institutional Trust and Economic Coping Strategies in Response to Sanctions: The Case of Russia and Iran

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Abstract

Sanctions have become an established feature of the economic landscape in Russia and Iran and may lead to economic insecurity and distrust of political bodies among citizens. However, few studies have investigated the way individuals adapt to these sanctions and whether their coping strategies are linked to their trust in institutions. To address this gap, we conducted a comparative study between Russians and Iranians, examining their economic coping strategies (ECS), including traditional ways of storing value, modern investments, cost-cutting measures, extra work, and resorting to social and material resources in response to sanctions and their relationship with institutional trust. Utilizing a cross-sectional research design, we administered surveys and obtained sample sizes of 364 and 311 in Russia and Iran, respectively. Our findings revealed that Russians exhibit higher institutional trust and lower levels of employing ECS compared to Iranians. Furthermore, we observed that lower institutional trust is associated with a greater overall use of ECS among Russians but not Iranians. When analyzing each coping strategy individually, we found that Russians with lower institutional trust tend to rely more on extra work, cost-cutting measures, and social and material resources, while in Iran, we observed this relationship for cost-cutting measures and modern investments. We concluded that in Russia, the financial insecurity induced by sanctions may have impacted institutional trust of those low-income individuals that were pressed to use certain strategies, while in Iran, the link between cutting expenses, modern investments, and institutional trust may be better explained by reduced life satisfaction and cultural factors. Given the role of institutional trust in well-being, it is crucial to protect at-risk segments of society from the adverse effects of financial challenges on their institutional trust.

Keywords

economic sanctions, economic behavior, cross-cultural economic coping strategies, institutional trust, sanctions in Russia, sanctions in Iran

JEL codes: Z

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Introduction

With the increasing complexity of the modern world, global conflicts are also becoming progressively more complicated. Economic sanctions have emerged as a modern means of warfare between countries and are increasingly used as a policy instrument and a form of collective punishment in contemporary global conflicts. Sanctions are linked to the economic insecurity experienced by citizens, particularly vulnerable groups such as youth and low-income households (Ghomi 2022). This economic insecurity may jeopardize institutional trust (Perry 2021), leading to adverse outcomes for democratic stability (Alessandro et al. 2021), life satisfaction (Aliyev et al. 2022), and subjective well-being (Hudson 2006). Given that sanctions are now an integral part of life in several countries, including Russia, Iran, and Venezuela, these ramifications become more pronounced, highlighting the importance of understanding the economic behavior of individuals in response to sanctions and their levels of institutional trust in these times of economic uncertainty. Furthermore, comparative studies are needed to provide a comprehensive account of how sanctions may interact with diverse cultural, political, and economic contexts affecting individuals' behaviors.

Despite this necessity, only a limited number of studies have explored the consequences of sanctions for ordinary citizens. For instance, in the case of Venezuela, one study demonstrated that US sanctions led to reduced calorie intake and increased mortality across various age groups (Weisbrot and Sachs 2019). In Iran, research has addressed the collateral damage of sanctions on citizens' economic welfare (Ghomi 2022), their mental health (Aloosh et al. 2019), physical health (Abdoli 2020), and access to life-saving drugs and medical supplies (Akbarialiabad et al. 2021). However, their relationship with economic behavior and institutional trust has not been thoroughly examined. As for Russia, economic sociologists have studied the socio-economic coping practices of Russians (How Russians… 2023), but their impact on institutional trust has yet to be investigated. Consequently, there is a gap in the literature regarding the role sanctions may play in changing citizens' economic behaviors and their trust in the state and its institutions.

Furthermore, while existing research has examined the cross-national impact of sanctions at the macro-level, focusing on consequences for the economy and policy (e.g., Rasoulinezhad and Sabri 2019; Timofeev et al. 2022), there is a lack of comparative investigation into micro-level variables. Within this context, a comparison of Russia and Iran is particularly relevant from temporal, typological, and cultural perspectives. Temporally, in the span of a few months, Russia experienced the same sanctions that were imposed on Iran over the course of more than four decades (Timofeev et al. 2022). This situation presents a unique opportunity to not only compare the short-term versus long-term consequences of sanctions but also to consider the implications of sudden versus gradual sanctions for individuals' economic behaviors and attitudes toward the government.

Moreover, there are typological similarities and differences between Russia and Iran that justify cross-cultural studies of sanctions. Firstly, when considering all sanctioned countries, Russia and Iran are relatively closer in terms of typological distance. For example, compared to Russia and Iran, China faces smaller sanction packages, and North Korea possesses markedly different political, societal, and economic systems (Timofeev et al. 2022). Secondly, both Russia and Iran are major exporters of oil and gas and are significantly affected by fluctuations in world oil prices (Rasoulinezhad and Sabri 2019). However, due to its

larger and more diversified economy, Russia has a greater capacity to implement countermeasures to sanctions compared to Iran (Timofeev et al. 2022). Therefore, a comparative analysis of Russia and Iran would enable us to assess how the consequences of sanctions for institutional trust and economic behavior may differ in diverse economic contexts. It can also serve as a foundation for future research exploring the micro-level effects of sanctions in countries with larger typological differences.

From a cultural perspective, Russia and Iran share some commonalities while also having distinct characteristics. Both cultures highly endorse security, benevolence, and universalism, while placing less emphasis on stimulation and hedonism values (Lebedeva and Tatarko 2018; World Values… 2014). Although their value priorities align in a similar order, the strength of endorsement varies between the two cultures (World Values… 2014). These cultural values are linked to various economic behaviors (Lebedeva and Tatarko 2018). Furthermore, Russians tend to exhibit higher levels of uncertainty avoidance (Latova 2016), while Iranians lean more toward uncertainty tolerance (Latifi 2006). This difference may have implications for how individuals in each society cope with the uncertainty brought about by sanctions. In terms of institutional trust, Russians tend to display higher levels of institutional collectivism compared to Iranians (House et al. 2004), even though their individualistic tendencies surpass those of Iranians (Latova 2016; Latifi 2006). These cultural dimensions could potentially influence how individuals in each society respond to sanctions and how economic challenges intersect with their trust in institutions. Therefore, cross-cultural studies are essential to further explore these complex dynamics.

To address the aforementioned gaps, the present research focuses on exploring how individuals cope with economic challenges posed by sanctions, which factors are associated with their preference for certain economic coping strategies, and how universal these factors may be. Therefore, in this paper, we have attempted – from a politically neutral perspective – to address these questions by comparing Russians and Iranians in terms of their economic coping strategies and how these strategies relate to their sociodemographic characteristics and levels of institutional trust.

Sanctions in Russia and Iran

Since the onset of its special military operation in Ukraine in early 2022, Russia has faced an extensive array of sanctions, making it the most heavily sanctioned country globally, with more than 10,000 sanctions imposed as of February the following year (Sanctions against… 2023). The immediate consequences of these economic sanctions on Russia remain somewhat unclear. While economists suggest that the Russian economy has suffered to some extent due to the sanctions, approximately 80% of the Russian population claims that their lives have not been affected, and they do not perceive any negative consequences stemming from these sanctions (How Russians… 2023). Surveys also indicate an increased level of institutional trust during 2022 and 2023 (Levada Center 2022–2023).[1] However, it is worth noting that the long-term effects of sanctions may not be immediately apparent, and this is where the case of Iran provides valuable insights.

1 The ANO Levada Center has been included in the registry of non-commercial organizations acting as foreign agents

Iran has a long history of sanctions, dating back 70 years to the initial sanctions imposed by Great Britain in response to the nationalization of the Iranian oil industry during the Pahlavi regime. The current sanctions, however, began following the Iranian revolution in 1979 and the subsequent US embassy hostage crisis. Over the past four decades, Iran has faced numerous rounds of sanctions, primarily imposed by the US, the European Union, and the UN Security Council, with their intensity increasing over time. In 2016, following the Joint Comprehensive Plan of Action (JCPOA) agreement between Iran and the UN Security Council members, some sanctions were lifted. However, the unilateral withdrawal of the US from the JCPOA in 2018 led to the reinstatement of previous sanctions and the imposition of new ones (Akbarialiabad et al. 2021).

These sanctions have had wide-ranging impacts on both Iran's broader economy and the lives of its citizens. Scholars note that sanctions have contributed to the weakening of Iran's civil society (Fathollah-Nejad 2014) and the decline of its middle class and reformist movement (Heiran-Nia and Monshipouri 2022). Additionally, sanctions have led to severe limitations in trade, shipping, insurance, and other sectors (Abdoli 2020), as well as substantial decreases in the gross domestic product (GDP), hyperinflation, and high unemployment rates (Ghomi 2022). Research also highlights the detrimental consequences for ordinary citizens, including impacts on their economic well-being (Ghomi 2022), mental (Aloosh et al. 2019) and physical (Abdoli 2020) health, as well as their access to healthcare, life-saving drugs, and medical supplies (Akbarialiabad et al. 2021).

Overall, the abrupt expansion of sanctions in Russia and the long-standing exposure of Iran to sanctions may have significant implications for the comparison of economic coping strategies and institutional trust among Russians and Iranians. Accordingly, it is plausible to suggest that the utilization of economic coping strategies in response to sanctions may be more prevalent in Iran, while institutional trust may be higher in Russia.

Individuals' behavioral strategies during economic sanctions

Current research on behavioral responses to economic sanctions or economic crises is relatively limited. Social psychology research has made attempts to categorize coping strategies, but these are often general and not tailored specifically to economic behavior. For instance, the COPE methodology (Carver 1997) lists various strategies for dealing with stress, including active coping, planning, positive reframing, acceptance, humor, religion, seeking emotional support, self-distraction, denial, venting, substance use, behavioral disengagement, and self-blame. Another classification mentions maladaptive coping strategies, problem-focused strategies, and emotion-focused strategies (Adamus and Grežo 2021). Considering these strategies are designed for a wide range of stressful events, they may also be applicable in the context of economic sanctions, given the association of sanctions with stress-related illnesses, such as cardiovascular and respiratory diseases (Akbarialiabad et al. 2021).

Family coping strategies also play a significant role in resource management and coping with stress. McCubbin et al. (1991) identify internal and external family coping strategies. Internal strategies relate to how family members internally handle difficulties among themselves and include passive appraisal (accepting difficulties and minimizing reactivity) and reframing (redefining challenging situations). External coping strategies pertain to how families interact with the social environment and utilize external

resources to cope with problems. This category encompasses actively seeking and accepting help from family members, acquiring social support (seeking resources within the community and assistance from others), and seeking spiritual support (Schumm and Bolsen 1985).

When examining strategies of economic behavior specifically within the context of sanctions policy, the few available studies have mentioned reactive and proactive practices (How Russians… 2023). Reactive practices include reducing various activities and cutting down on purchases of goods and services, while proactive practices involve actively seeking opportunities to enhance one's financial situation. However, further research is required to gain a more specific understanding of economic coping strategies within the context of sanctions.

In our study, we have identified a comprehensive set of strategies (17 in total; refer to Table A1 in Appendix A). These strategies draw from existing classifications while being exclusively focused on economic behaviors. They are categorized under traditional methods of preserving value (investing in gold, real estate, and bank deposits), modern investments (investing in cryptocurrency, national stocks, and foreign stocks), cost-cutting measures (cutting basic expenses like food and clothing, as well as cutting down on entertainment and vacation costs), seeking extra work (seeking a new job, extra income opportunities, and starting a new business), and resorting to social and material resources (like sharing a residence with relatives, receiving financial support from family and friends, seeking assistance from organizations, selling property, or relocating to a cheaper residence). These strategies are related to external family coping strategies as well as reactive and proactive practices. The choice of a specific strategy may be influenced by various factors, such as income, education, and employment status. However, due to the political nature of sanctions, this choice may also be linked to institutional trust. With these considerations, the central question of our research focuses on understanding how socio-demographics and institutional trust are related to individuals' preferred strategies of economic behavior in the context of sanctions. We further explore this inquiry in the following section.

Sanctions and institutional trust

Institutional trust may be defined as people's positive expectations regarding the competence, reliability, and goodwill of authorities responsible for performing institutional duties on their behalf (Liang & Ma 2021). Trust in the overall political system of society also encompasses confidence in its stability and effectiveness (Luhmann 1979). When a state effectively ensures compliance with the law, trust in the state and its institutions tends to grow. However, it is noteworthy that trust cannot be solely «created» through the force of the law; coercion tends to reduce mutual trust within society (Sitkin and Roth 1993).

Research on institutional trust is highly relevant to economic behaviors under sanctions. Numerous studies demonstrate that institutional trust, along with generalized trust, are key socio-psychological factors contributing to economic progress and democratic stability (Alessandro et al. 2021). They also play a role in life satisfaction (Aliyev et al. 2022) and subjective well-being (Hudson 2006). Conversely, economic insecurity is often linked to institutional distrust (Perry 2021). Studies also suggest that downward socioeconomic mobility may lead to higher levels of political distrust, as individuals tend

to adopt a 'blame the system' attitude when framing their experiences (Daenekindt et al. 2018). This is particularly relevant to the context of sanctions, as the resulting economic instability may affect income levels and lead to downward mobility, especially among more vulnerable segments of society (Kokabisaghi 2018; Ghomi 2022). It is also worth noting that trust in political power is not separate from trust in other institutions; individuals perceive various elements of the political system and its institutions holistically. Due to this interdependence, distrust in certain aspects of the political system, such as the economy, can spread to other elements like politics and laws (Economics and Sociology… 2004). We may therefore assume that economic issues arising from sanctions can impact institutional trust as a whole.

This assumption aligns with one of the primary objectives of economic sanctions, which is to change a country's political trajectory by undermining its social capital, particularly institutional trust, through impacting income and living standards. Specifically, sanctions aim to place the sanctioned governments in a position where they must choose between changing their policies or risk being voted out of power or overthrown by the citizens due to the erosion of institutional trust (Kirshner 1997). However, in response to sanctions, state authorities may attempt to mitigate the negative effects, and the population may independently make efforts to cope with the economic consequences. For example, they may draw upon their past experiences of navigating previous economic crises. Therefore, sanctions may interact with institutional trust, but the dynamics of this interaction are not straightforward.

Accordingly, using large scale national data on income and expenditure, Ghomi (2022) traced the poverty mobility of various Iranian households in relation to sanctions. The study revealed that government-affiliated households were not significantly impacted by the sanctions, whereas households in the private sector, low and middle-income households, religious minorities, young people, and the illiterate had the highest rates of falling into poverty as a result of the sanctions. Relatedly, we may expect that individuals with varying degrees of being economically affected by sanctions may have different levels of institutional trust. Additionally, people with differing levels of institutional trust may be affected differently by sanctions. Therefore, this research aims to investigate the potential correlations between economic coping strategies and institutional trust.

Potential Role of Culture

Culture shapes the beliefs, behaviors, values, and social dynamics of societies across the globe. Amidst the diversity of cultures worldwide, Russian and Iranian cultures emerge as distinctive entities, each characterized by unique historical, cultural, religious, and ethnic factors. In this context, we offer a concise overview of Russian and Iranian cultures with respect to institutional and in-group collectivism, basic human values, and uncertainty avoidance. We have chosen these dimensions because of their relevance to our subsequent discussion of economic coping strategies and institutional trust.

Institutional and in-group collectivism represent two cultural dimensions explored by the GLOBE study of 62 societies (House et al. 2004). In-group collectivism refers to the interdependence and cohesiveness within small groups, such as family and friends. Institutional collectivism, on the other hand, denotes interdependence within the broader society and its institutions (Gelfand et al. 2004).

Both Russia and Iran exhibit above-average levels of in-group collectivism (House et al. 2004). However, this dimension is particularly pronounced in Iran, ranking among the highest levels of in-group collectivism observed within the GLOBE project (Javidan and Dastmalchian 2003). In both countries, high levels of in-group collectivism may result in financial interdependence within families, a reliance on support from close-knit social circles, and reduced financial burdens due to living with family members before marriage (Gelfand et al. 2004). By offering a familial level of financial support, these practices may aid individuals in coping with the economic consequences of sanctions.

Conversely, institutional collectivism is lower than in-group collectivism in both countries. Nevertheless, Russia demonstrates higher levels of institutional collectivism compared to the average of the examined countries. In contrast, Iran displays lower-than-average levels of institutional collectivism. Low institutional collectivism is associated with reduced societal loyalty and cohesion, as well as higher prioritization of individual interests over collective interests (House et al. 2004). Consequently, we may expect higher levels of institutional trust among Russians compared to Iranians. We may also assume that in cultures characterized by low institutional collectivism, people place greater emphasis on individual- and family-level economic coping strategies.

Individuals' behaviors, including their economic and political behaviors, are closely intertwined with their basic human values (Lebedeva and Tatarko 2018) that are outlined by Shwartz theory of basic values (Schwartz 2012). Lebedeva and Tatarko (2018) demonstrated that the most prominent value among Russians is security. This value emphasizes stability, safety, and harmony of the self, relationships, and society (Schwartz 2012). Additionally, Russians highly endorse universalism (concern for the welfare of the larger society and nature) and benevolence (maintaining and increasing the welfare of close in-groups). In contrast, hedonism (seeking pleasure and gratification) and stimulation (seeking novelty, excitement, and challenge) are the least common values among Russians (Lebedeva and Tatarko 2018). A similar value order is observed in Iran, where security, benevolence, and universalism are prioritized, while stimulation and hedonism are the least endorsed (World Values… 2014). Despite this similarity, cross-country comparisons reveal variations in the strength of these values; Russians have lower levels of valuing security, benevolence, and stimulation but higher levels of universalism and hedonism compared to Iranians (World Values… 2014).

Valuing security is associated with lower emotional and behavioral preference for wastefulness in economic behavior, while hedonism is linked to a higher tolerance for wastefulness (Lebedeva and Tatarko 2018). As a result, we anticipate that in both Russia and Iran, cutting expenses may be a preferred strategy for coping with sanctions. Furthermore, a higher appreciation for stimulation, universalism, benevolence, and security is correlated with a greater inclination toward economic development (Lebedeva and Tatarko 2018), which could encourage financial coping through new job or business opportunities. Given the prevalence of security and benevolence and the lower emphasis on stimulation in both countries, we also expect a reduced inclination toward unpredictable coping strategies, such as cryptocurrency and stock investments, and a greater reliance on seeking help from close others.

Uncertainty avoidance, one of the cultural dimensions in the Hofstede model, might also be associated with preferred coping strategies in these countries. This dimension pertains to the extent to which individuals in a society tolerate uncertainty and the unknown. Societies with high uncertainty avoidance tend to implement extensive regulations and

rules to minimize and control unpredictable situations, while those with low uncertainty avoidance are more comfortable in unstructured and unpredictable environments (Hofstede et al. 1990). Russians exhibit a high degree of uncertainty avoidance (Latova 2016), whereas Iranians tend to have a higher tolerance for uncertainty (Latifi 2006). This cultural divergence could have implications for the degree to which individuals rely on relatively uncertain coping strategies, such as investing in gold, real estate, cryptocurrency, and stocks.

Overall, Russian and Iranian cultures, while sharing some similarities such as high in-group collectivism and basic values, also exhibit differences in terms of institutional collectivism, the strength of these values, and uncertainty avoidance. These cultural nuances may significantly influence individuals' coping strategies in response to economic challenges, including sanctions, and their trust in institutions. Understanding these cultural distinctions is crucial for a comprehensive analysis of economic coping strategies and institutional trust in Russia and Iran, providing insight into the interplay between culture and behavior in diverse socio-economic contexts.

Current Research

Based on the theoretical considerations outlined earlier, this study aims to explore potential differences between Russians and Iranians in their adoption of economic coping strategies and their levels of institutional trust. Furthermore, it attempts to investigate the relationship between institutional trust and economic coping strategies.

Consequently, the first hypothesis posits that Iranians are more inclined to utilize economic coping strategies compared to Russians, reflecting a country-level variation in coping behaviors in response to sanctions. This hypothesis is primarily rooted in the longer exposure of Iran to sanctions compared to Russia, which may have provided the Iranian population with more experience in using economic coping strategies.

The second hypothesis suggests that Russians would report higher levels of institutional trust in comparison to Iranians. This higher level of trust may be attributed to various factors, such as the relatively shorter duration of sanctions on Russia compared to Iran and the differing levels of institutional collectivism in these countries (House et al. 2004).

The third hypothesis proposes that institutional trust would be correlated with economic coping strategies in both countries. However, the study does not make assumptions regarding the direction of these relationships and how they might differ between Russia and Iran. Accordingly, two research questions are formulated:

1. What is the direction of the relationship between institutional trust and economic coping strategies?
2. How do the relationships between institutional trust and economic coping strategies differ between Russia and Iran?

Method

This study employed a cross-sectional research design and conducted surveys to collect data for analysis.

Participants

In May 2022, we administered the Russian survey. The sample included 384 participants (53.9% female, 46.1% male) aged from 18 to 54 (*M* – 37, SD = 9.5), with the majority (78.1%) reporting being employed. Regarding education levels, the distribution was as follows: basic general education (2.1%), completed secondary education (5.5%), primary vocational education (3.6%), secondary vocational education (19.3%), incomplete higher education (8.1%), completed higher education (60.2%), and academic degrees such as PhD or Doctor of Science (1.3%). Participants also exhibited a diverse range of income levels, with an average income of 4.44 (SD – 1.63) and acceptable skewness and kurtosis values (Skewness – 0.26, Kurtosis – 0.12).[2]

We administered the Iranian survey in June 2022 and the sample were 311 participants (50.3% female, 49.7% male) aged from 18 to 61 (*M* – 33, SD = 9.1), with 61.2% being employed. In terms of education levels, the breakdown was as follows: elementary school (0.6%), middle school (1.9%), completed high school (20.1%), associate's, bachelor's, or master's degree (69.9%), and PhD (7.4%). Income levels exhibited a normal distribution, with an average income of 2.15 (SD – 0.89) and acceptable skewness and kurtosis values (Skewness – 0.44, Kurtosis – -0.49).

In Iran, a different scale was used to assess income. The question was asked: Which of the given statements most accurately describes the income level of your family at present? And the following answers were offered: 1. We live on this income without experiencing financial difficulties 2. This income is enough for us in principle 3. It is quite difficult to live on this income 4. It is very difficult to live on this income.

The fact that the scales for assessing income in Iran and Russia were different did not matter to us as we did not compare the income of respondents in both samples. Income indicators were used only as control variables.

Measures

The measures, administered in both Russian and Persian, are outlined as follows:

Institutional Trust. We extracted statements of institutional trust from the European Social Survey (European Social Survey 2020). The items asked participants to rate their level of trust in various government institutions (e.g., «Legislative authorities,» «President of the country,» «Police,» «Politicians overall and political parties») on a Likert-type six-point scale (1 = absolutely don't trust, 6 = absolutely trust). The Russian version comprised 8 items and demonstrated a high level of internal consistency with a Cronbach's alpha of 0.95 in the present study. The Persian version consisted of 10 items, with a Cronbach's alpha of 0.92. The difference between the Russian and the Persian survey was that in the latter, we added one item to assess trust in the Islamic Revolutionary Guard Corps (Sepah) due to its significant influence in Iran's politics. Additionally, we separated the items of politicians overall and political parties in the Persian survey.

2 The following 9-point scale was used to estimate income: 1 – Less than 2500 rubles; 2 – 2500-7500 rubles; 3 – 7501-15000 rubles; 4 – 15001-25000 rubles; 5 – 25001-40000 rubles; 6 – 40001-60000 rubles; 7 – 60001-80000 rubles; 8 – 80001-100000 rubles; 9 – More than 100000 rubles.

Economic Coping Strategies (ECS). We developed an instrument to measure economic coping strategies used by individuals to deal with the financial consequences of sanctions. To identify possible strategies in reaction to lowered living standards, we reviewed internet forums, expert interviews, and existing scales that measure similar parameters (with particular attention to questions from the Russian Longitudinal Monitoring Survey; Kozyreva et al. 2016). The result was a set of 17 items organized into five categories of strategies: traditional ways of storing value (gold, bank deposits, real estate; e.g., «Have you started investing in gold?»), modern investments (stocks and cryptocurrency; e.g., «Are you investing in cryptocurrencies such as Bitcoin, Ethereum, etc.?»), seeking extra work (e.g., «Are you looking for extra income opportunities?»), cost-cutting measures (e.g., «Have you had to cut down on entertainment and vacation expenses?»), and resorting to social and material resources, which included seeking assistance and selling property (e.g., «Have you obtained financial support from relatives and friends?»). Participants used a Likert-type five-point scale to indicate the extent to which they had employed each strategy to cope with sanctions over the past three months. The present study yielded an alpha coefficient of 0.83 for the Russian sample and 0.67 for the Iranian sample. Further information on the structural, convergent, and discriminant validity of this measure can be found in Appendix A.

Family Coping Strategies. We employed the Family Crisis Oriented Personal Evaluation Scale (F-COPES; McCubbin et al. 1991) to assess familial behavioral and problem-solving strategies for coping with challenging situations. F-COPES consists of 30 items (e.g., «When we face problems or difficulties in our family, we respond by sharing our difficulties with relatives») and employs a Likert's five-point scale (5 = strongly agree, 1 = strongly disagree) for participant responses. The Russian version of F-COPES, adapted for use in Russia (Jurcik 2013), demonstrated a high level of internal consistency with a Cronbach's alpha of 0.88 in the present study. We provided a Persian translation of F-COPES using a reverse translation method, resulting in an alpha of 0.81 in the current study. We replicated the original 5-factor structure (McCubbin et al. 1991), confirming the construct validity of the Persian version. We used categories of internal and external coping in F-COPES to assess the discriminant and convergent validity of ECS factors (see Appendix A).

Sociodemographic Variables. We collected data on gender, age, education, income level, and employment status using corresponding questions in both samples.

Procedure

For the Russian portion of the study, we collected data through the Anketolog.ru platform. As an incentive for participation, we provided compensation of 100 rubles per respondent. To determine the appropriate sample size, we took into consideration the population of the Russian Federation as of January 1, 2021 (146,171,015 people) and a confidence interval level of 95%. Based on these parameters, we calculated the optimal sample size to be 384 individuals[3]. The sample size we obtained met this criterion. We stratified the sample based on three key sociodemographic characteristics: gender, age, and place of residence (federal district). The proportions of the Russian population within these selected characteristics,

3 We used this calculator: https://blog.anketolog.ru/2015/12/vyborka/

as determined by Rosstat data as of January 1, 2021 (Rosstat 2021), were reflected in our sample. It is important to note that the Anketolog.ru platform imposes restrictions on respondent age, limiting it to the range from 18 to 54 years. As a result, the upper age limit in our sample was capped at 54 years.

We used the same calculator to determine the sample size for Iran, which had a population of approximately 87,920,000 in 2021. To collect data from Iranians, we employed a combination of voluntary response sampling and snowball sampling. We published a call for voluntary participation on an Iranian Telegram channel called "Farsi Tweets," which has around 500,000 subscribers. This channel is dedicated to republishing viral Iranian tweets and has no specific topic or orientation. We also sent the same call to our family and friends, encouraging them to share it with their acquaintances. The content of the call provided a vague description of the study ("We are collecting data for comparing economic behaviors of Iranians with Russians"), emphasized the anonymity and confidentiality of the data, and included a link to the survey. After collecting sufficient data, we screened the database and excluded three cases of respondents under 18 years old.

Statistical Procedures

We conducted statistical analyses using R and SPSS. Initially, we pre-processed the data to account for outliers and missing values. Subsequently, we calculated Cronbach's alpha for the scales. We then performed multigroup confirmatory factor analysis (MGCFA) to establish configural, metric, and scalar invariance of the ECS scale in both the Russian and Iranian samples. To further assess the discriminant and convergent validity of the factors, we examined Spearman correlations between the latent factors of this scale, the factors of F-COPES, and income. In the subsequent stage, we investigated Spearman coefficients between variables of interest and demographics to explore the interrelationships.

To test the hypotheses, we conducted Mann-Whitney U tests to evaluate the significance of differences for all variables between Russia and Iran. Then, we employed multivariate regression to assess whether institutional trust is associated with ECS while controlling for demographics. We applied this model to both samples.

Results

For all the variables of interest, the amount of missing data was less than 5%, which can be considered negligible. We have reported the results for the invariance of the ECS scale, correlations, descriptive comparisons, and multivariate regressions.

Invariance of economic coping strategies scale

The results of the confirmatory factor analysis (CFA) for the ECS scale, including the loadings of corresponding items, can be found in Appendix A. To establish configural, metric, and scalar invariance of the ECS scale, we conducted multigroup confirmatory factor analysis (MGCFA), assuming five latent factors: traditional ways of storing value (gold, bank deposits, real estate), investing in modern means of storing value (stocks and cryptocurrency),

seeking extra work, cost-cutting measures, and resorting to social and material resources, which included seeking help and selling property. Due to the violation of the assumption of normal distribution in our data, we employed the diagonally weighted least squares estimator, following the recommendations of Mîndrilă (2010).

The results of MGCFA for configural, metric, and scalar invariance are presented in Table 1. Since previous research has demonstrated the unreliability of the chi-square test in large pooled samples ($N \sim 500$; see Putnick and Bornstein 2016), we refrained from reporting this statistic. Instead, we used $\Delta CFI \leq 0.01$, $\Delta RMSEA \leq 0.015$, and $\Delta SRMR \leq 0.030$ (for metric invariance) or 0.015 (for scalar invariance) as cutoff criteria, following guidelines of Chen (2007). The configural model indicated sufficient model fit. Furthermore, for both the metric and scalar models, changes in RMSEA and SRMR fell within the acceptable range, suggesting the presence of invariance. Although the changes in CFI slightly violated the cutoff criteria, we decided to acknowledge the model as invariant based on the overall assessment of all indicators. It is also notable that removing potentially problematic items did not enhance the invariance of the instrument.

Table 1. Invariance of the economic coping strategies scale (Russia and Iran)

Model	CFI	ΔCFI	RMSEA	ΔRMSEA	SRMR	ΔSRMR	DF
Configural invariance	0.950		0.044		0.066		218
Metric invariance	0.937	0.013	0.048	0.004	0.069	0.003	230
Scalar invariance	0.914	0.023	0.055	0.007	0.074	0.005	242

Source: authors' calculations

Note: CFI = comparative fit index, RMSEA = root mean square error of approximation, SRMR = standardized root mean square residual, DF = degrees of freedom.

Correlations and Descriptive Comparisons

The relationships between all variables of interest and demographic variables are detailed in Table 2. We employed Spearman correlation analysis, as the factors of ECS and institutional trust did not adhere to a normal distribution in either of the samples. The results reveal that in Russia, institutional trust has a significant positive association with age while showing negative associations with seeking extra work, cost-cutting measures, and resorting to social/material resources. We observed the negative association of institutional trust and cutting expenses in Iran as well. However, the other relations were not found.. Instead, in Iran, institutional trust negatively correlated with education, traditional ways of storing value, and modern investments.

Table 3 and Table 4 present the results of descriptive comparisons between Russia and Iran. Since all variables of interest (except income) did not meet the assumption of normal distribution, we conducted Mann-Whitney U tests to assess differences in ECS and institutional trust between the Russian and Iranian samples. Consistent with our hypotheses, the tests indicated significant differences between Russians and Iranians in terms of their levels of institutional trust, traditional ways of storing value, modern investments, seeking extra work, cost-cutting measures, and resorting to social/material resources. Specifically,

Table 2. Spearman correlations between variables (first row: Russia, second row: Iran)

Variables	1	2	3	4	5	6	7	8	9	10
1. Income										
2. Gender	0.07									
	0.01									
3. Age	-0.03	0.04								
	-0.10	0.02								
4. Education	0.18**	-0.08	0.12*							
	0.07	0.04	-0.00							
5. Employment	-0.29**	-.19**	-0.14**	-0.20**						
	0.00	-0.42**	0.26**	0.15**						
6. Traditional stores of value	0.05	0.19**	-.001	0.02	-0.11*					
	0.19**	-0.07	-0.05	0.14*	0.09					
7. Modern investments	0.06	0.24**	-0.07	-0.07	-0.10*	0.50**				
	0.08	-0.23**	-0.01	0.06	0.10	0.36**				
8. Extra work	-0.12*	0.07	0.00	-0.03	0.05	0.27**	0.34**			
	-0.12*	-0.09	-0.04	-0.01	0.03	0.09	0.24**			
9. Cost-cutting measures	-0.24**	-0.00	0.04	0.10*	0.02	0.09	0.06	0.35**		
	-0.25**	0.00	0.11*	0.06	0.07	0.02	0.09	0.22**		
10. Social/material resorts	-0.21**	0.10*	-0.05	-0.03	0.10	0.33**	0.29**	0.40**	0.30**	
	-0.27**	-0.08	0.02	-0.07	0.12*	0.04	0.03	0.19**	0.22**	
11. Institutional trust	-0.03	-0.08	0.14**	-0.04	-0.02	-0.02	-0.05-	-0.14**	-0.18**	-0.16**
	0.023	-0.03	0.06	-0.19**	-0.13*	-0.11*	0.12*	-0.06	-0.15**	-0.04

Source: authors' calculations

Note. *p < .05. **p < .01. ***p < .001.

Russians displayed higher levels of institutional trust and lower levels of all economic coping strategies compared to Iranians. The effect sizes, as measured by Cohen's d values, varied, with a large effect size observed for the differences in institutional trust, small effect sizes for traditional stores of value, modern investments, extra work, and social/material resources, and a medium effect size for cost-cutting. Additionally, we conducted independent samples t-tests to examine mean differences in income, as this variable followed a normal distribution. According to Table 4, Russians exhibited significantly higher income levels compared to Iranians, with a medium effect size.

Table 3. Mann-Whitney U tests for group differences

Variable	Mdn		IQR		*z*	Cohen's *d*
	Russia	Iran	Russia	Iran		
Institutional trust	3.75	1.90	1.87	1.30	12**	0.97
Traditional stores of value	1.00	1.50	0.75	1.00	-4.53***	0.32
Modern investments	1.00	1.00	0.66	1.33	-3.07**	0.20
Extra work	2.33	2.66	1.67	2	-3.03**	0.23
Cost-cutting measures	3.00	4.50	2.50	1.50	-8.50***	0.67
Social/material resorts	1.20	1.80	0.80	1.60	-4.69**	0.34

Source: authors' calculations

Note: Mdn = Median. IQR = Interquartile Range.

*p < .05. **p < .01. ***p < .001.

Table 4. t-test for mean differences in income

Variable	*M*		SD		*t*	DF	Cohen's *d*
	Russia	Iran	Russia	Iran			
Income (standardized)	0.57	-0.71	0.92	.50	23.46***	614.27	0.76

Source: authors' calculations

Note: ***p < .001.

Multivariate regression of institutional trust on economic coping strategies

For both countries, we conducted multivariate regression analyses to examine the relationships between institutional trust and ECS while controlling for income, education, gender, and employment. As the inclusion of age did not significantly alter the results, we removed it from the model in the interest of parsimony. We initially entered the control variables into the regression. Pillai's trace test indicated that, for both countries, significant differences

existed in the overall use of economic coping strategies among different income levels, education levels, and between genders, while no significant differences were observed between employed and unemployed individuals. The results for Russia were as follows: income, $F(5, 375) – 7.63$, $p < 0.001$; education, $F(5, 375) – 2.28$, $p = 0.04$; gender, $F(5, 375) – 5.00$, $p < 0.001$; employment, $F(5, 375) – 0.78$, $p = 0.55$. In Iran, the results were as follows: income, $F(5, 298) – 11.8$, $p < 0.001$; education, $F(5, 298) – 2.70$, $p = 0.02$; gender, $F(5, 298) = 3.32$, $p = 0.006$; employment, $F(5, 298) – 0.96$, $p = 0.43$.

To further explore these differences, we examined the relationships between control variables and each factor of ECS in a multivariate regression analysis. Among Russians, income was a significant negative predictor of cost-cutting (β – -0.28, $t(379) – -5.10$, $p < 0.001$), seeking extra work (β – -0.13, $t(379) – -2.71$, $p = 0.02$), and resorting to social/material resources (β – -0.21, $t(379) – -3.82$, $p < 0.001$). For Iranians, in contrast to Russians, income significantly and positively predicted traditional ways of storing value (β – 0.37, $t(302) = 3.42$, $p < 0.001$), while, similar to Russians but to a greater extent, it negatively correlated with cost-cutting (β – -0.51, $t(302) – -4.69$, $p < 0.001$), seeking extra work (β – -0.23, $t(302) = -2.14$, $p = 0.03$), and resorting to social/material resources (β – -0.54, $t(302) – -4.98$, $p < 0.001$). Among Russians, education was a significant positive predictor of cost-cutting (β = 0.12, $t(379) = 2.55$, $p = 0.01$) but was unrelated to other ECS factors. Education among Iranians, although leading to differences in overall economic coping strategies, was only a significant contributor to traditional ways of storing value (β – 0.25, $t(302) = 2.23$, $p = 0.02$), and unlike Russia, it had no relationship with cost-cutting. Regarding gender, in Russia, being female was negatively associated with traditional ways of storing value (β = -0.18, $t(379) = -3.66$, $p < 0.001$), modern investments (β – -0.23, $t(379) – -4.67$, $p < 0.001$), and resorting to social/material resources (β – -0.18, $t(379) – -3.65$, $p < 0.001$). In Iran, being female had no significant relationship with traditional stores of value and resorting to social/material resources, but, similar to Russia and to a greater extent, it was negatively associated with modern investments (β – -0.23, $t(302) – -3.84$, $p < 0.001$). Employment showed no significant relationship with any of the economic coping strategies in either country.

In the subsequent step, we introduced institutional trust into the multivariate regression model to assess its predictive power for ECS, while still controlling for income, education, gender, and employment. We then conducted Pillai's trace tests to evaluate whether differences in overall ECS existed at various levels of institutional trust. The results indicated that in Russia, institutional trust was associated with differences in overall ECS, $F(5, 374) – 4.38$, $p < 0.001$. However, in Iran, such a relationship was not observed, $F(5, 292) – 2.06$, $p = 0.06$.

To delve deeper into these differences, we explored the relationships between institutional trust and each factor of ECS while including the control variables in the multivariate regression. The results are summarized in Table 5 and visually represented in Figure 1. Among Russians, institutional trust was negatively associated with cost-cutting (β – -0.19, $t(378) = -3.98$, $p < 0.001$), seeking extra work (β – -0.13, $t(378) – -2.59$, $p = 0.009$), and resorting to social/material resources (β – -0.11, $t(378) – -2.25$, $p = 0.02$). For Iranians, however, institutional trust had a negative relationship with modern investing (β – -0.13, $t(296) – -2.31$, $p = 0.02$), but no significant relationship with extra work and resorting to social/material resources. Similar to Russians but to a lesser degree, in Iran, institutional trust was negatively associated with cost-cutting (β – -0.12, $t(296) – -2.24$, $p = 0.02$).

Table 5. Multivariate regression of institutional trust on economic coping strategies (first row: Russia, second row: Iran)

Variables	Traditional stores of value		Modern investments		Extra work		Cost-cutting measures		Social/material resorts	
	β	SE	β	SE	β	SE	β	SE	β	SE
Income	0.00	0.05	0.00	0.05	-0.13*	0.05	-0.29***	0.05	-0.21***	0.05
	0.40***	0.11	0.17	0.11	-0.25*	0.11	-0.47***	0.11	-0.55***	0.11
Education	0.02	0.04	-0.06	0.04	-0.02	0.04	0.10*	0.04	-0.02	0.04
	0.21	0.11	0.07	0.11	-0.20	0.12	0.10	0.11	-0.20	0.11
Gender[a]	-0.19***	0.05	-0.23***	0.05	-0.06	0.05	0.00	0.05	-0.17***	0.05
	-0.07	0.06	-0.25***	0.06	-0.10	0.06	0.02	0.06	-0.04	0.06
Employment[b]	0.03	0.05	0.04	0.05	-0.01	0.05	0.03	0.05	-0.03	0.05
	0.03	0.06	-0.03	0.06	-0.00	0.06	0.05	0.06	0.10	0.06
Institutional trust	0.00	0.05	-0.00	0.05	-0.13**	0.05	-0.19***	0.04	-0.11*	0.04
	-0.09	0.05	-0.13*	0.05	-0.07	0.05	-0.12*	0.05	-0.04	0.05
ΔR^2	0.00		0.00		0.02		0.04		0.01	
	0.00		0.01		0.00		0.01		0.00	

Source: authors' calculations

Note: This table only presents the final model. The control model (without inclusion of institutional trust) is reported within text. Education was treated as continuous.

[a] Female = 1, Male = 0. [b] Employed = 1, Unemployed = 0.

*p < .05. **p < .01. ***p < .001.

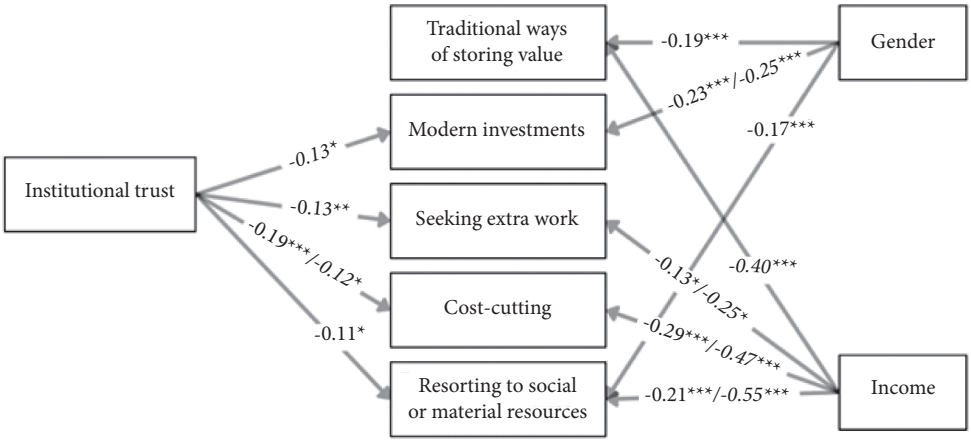

Figure 1. Significant relationships between institutional trust, control variables, and ECS. *Source:* compiled by the authors. *Note:* Only significant relationships in the final predictor model are presented. Standardized coefficients for Russia are shown in regular type, and for Iran in italics (Russia/Iran).

Summary

In summary, these analyses revealed significant differences between Russians and Iranians in terms of institutional trust levels and their utilization of economic coping strategies, even when accounting for demographic factors. As hypothesized, Russians displayed higher levels of institutional trust and lower reliance on economic coping strategies compared to Iranians. Furthermore, we found partial evidence for the negative association between institutional trust and certain factors of economic coping strategies. Specifically, Russians with lower levels of institutional trust tended to rely more on seeking extra work, cost-cutting, and resorting to social and material resources to cope with sanctions. Iranians, on the other hand, were similar to Russians in terms of the association between lower institutional trust and increased cost-cutting, but unlike Russia, lower institutional trust in Iran was not associated with seeking extra work or using social/material resources, but instead correlated with more modern investments.

As for sociodemographic variables, in Russia, income was negatively associated with cost-cutting and resorting to social/material resources. Similar relationships existed in Iran, but income also positively predicted traditional ways of storing value in this country. Education was associated with increased cost-cutting in Russia but had no relationship with other economic coping strategies in either Russia or Iran. Russian women were less likely to utilize traditional stores of value, modern investments, and social/material resources. Iranian women were also less likely to engage in modern investments. Employment showed no significant association with any of the economic coping strategies in either country.

Discussion

Throughout this study, we have developed an instrument for measuring individuals' economic coping strategies in response to economic sanctions. We conducted a comparative analysis between Russians and Iranians, examining how they adapt these coping strategies and their levels of institutional trust. Additionally, we explored the role of institutional trust and sociodemographic factors in the utilization of various economic coping strategies and investigated how these relationships vary between Russia and Iran.

The scale of economic coping strategies

Regarding the ECS scale, our objective was to determine its reliability in measuring economic coping strategies in both Russia and Iran, whether the measured strategies align with our theoretical categorization, and if the results are comparable between the two countries. This study provided evidence supporting the reliability of this instrument in both Russia and Iran, suggesting that the items tap into the economic coping strategies of individuals. Furthermore, the validity of our proposed factor structure in both Russia and Iran indicated that economic coping strategies can be categorized into the following groups:

1. Traditional ways of storing value (investing in gold, bank deposits, and real estate).
2. Modern investments (national and foreign stocks, cryptocurrency).
3. Cost-cutting measures (including essential expenses like food and clothing, as well as entertainment and vacations).

4. Seeking extra work (finding a new job, starting a business, or pursuing extra income opportunities).
5. Resorting to social and material resources (social: receiving financial aid from family, friends, or organizations; material: selling property, sharing house, changing one's living place).

This research also established the invariance of the ECS scale across Russia and Iran, suggesting that it can be used in future cross-cultural studies for comparing economic coping strategies between these two countries. However, as the scale's internal consistency was notably lower in Iran compared to Russia, we suggest some caution with this regard. This disparity may imply that the scale might have missed certain important coping strategies in Iran. For example, the instrument did not capture the reliance on bank loans, a strategy frequently used by Iranians (Yazdani and Hill 1993; Hoseini and Beck 2020), particularly as loans protect borrowers during periods of hyperinflation[4] (Ewing 2003), which are recurrent in Iran (World Data 2022). Therefore, future refinements of the scale could include culture-specific coping strategies like bank loans to enhance its reliability among Iranians.

Preliminary comparison of Russia and Iran

In terms of comparing Russia and Iran in their economic coping strategies, our findings align with our hypothesis, indicating that Iranians employ all of these strategies more frequently than Russians do. The most significant difference was observed in the category of cost-cutting, although it is important to approach the effect sizes for seeking additional work and modern investments with caution. Several factors may explain this difference.

Firstly, this difference may be explained by the longer exposure of Iran to sanctions, which has exhausted its economy (Ghomi 2022) and may have pressed individuals to adopt various individual and familial coping strategies to protect themselves against volatile financial situations. Secondly, another potential reason may be higher levels of in-group collectivism paired with lower institutional collectivism in Iran as opposed to Russia (House et al. 2004), which may contribute to greater reliance on individual- and familial-level coping strategies in response to sanctions.

Furthermore, Russians may utilize these strategies to a lesser extent due to measures taken by the Bank of Russia to prevent financial instability (Demertzis et al. 2022). As to why the biggest difference was in cutting expenses, one reason may be the lower income and degrees of employment in the Iranian sample compared to the Russian sample, which also reflects the differences in the broader economies of these countries, as Russia has a higher GDP and lower unemployment rate compared to Iran (World Data 2023). Cultural factors may have also played a role. Specifically, higher preference for security and lower hedonism in Iran compared to Russia (World Values… 2014), through their link with reduced wastefulness (Lebedeva and Tatarko 2018), may have led to a greater inclination toward cost-cutting in Iran.

4 This is because inflation favors borrowers, meaning that fixed-rate interests of loans remain the same while the prices of goods and services skyrockets during hyperinflation. Therefore, people's fixed-debt obligations would consume a smaller percentage of their revenue and the money they pay back is worth less than the money they borrowed, resulting in easier pay-back of the loan (Ewing 2003).

Regarding institutional trust, our findings indicate that Russians exhibit higher levels of institutional trust compared to Iranians, confirming our hypothesis. We may explain these results from various perspectives. From a cultural standpoint, the differences align with higher levels of institutional collectivism (House et al. 2004) and universalism (World Values… 2014) in Russia compared to Iran. From the perspective of economic sanctions, we may propose that four decades of sanctions have been effective in terms of eroding institutional trust in Iran, whereas the shorter duration of sanctions in Russia has not allowed for the same impact.

To provide a more comprehensive explanation, the broader political and historical factors should also be considered. In the case of Russia, despite having some of the lowest institutional trust levels globally (Stickley et al. 2009), the onset of special military operations in 2022-2023 coincided with an increase in institutional trust among Russians, as evidenced by sociological polls (Levada Center 2022–2023).[5] This increased institutional trust could be attributed to the heightened social cohesion experienced in threatful situations. Therefore, higher degrees of perceived threat during this ordeal may have led Russians to feel a greater sense of loyalty towards the state. Conversely, the lack of institutional trust among Iranians predates the implementation of economic sanctions, with Iranian historians noting a historical hostility and separation between state and society, rooted in the arbitrary power[6] of the state and society's endemic rejection of the state (Katouzian 2003).

Overall, we may conclude from these remarks that institutional trust in response to economic threats may vary across cultures. Future studies that consider other sanctioned countries are essential to further verify our observations. Moreover, if the sanctions in Russia were to continue, the trajectory of institutional trust in this country may help clarify these findings.

The relationship of institutional trust with economic coping strategies in Russia and Iran

To further explore the potential interaction between economic sanctions and institutional trust, we examined and compared the relationship between institutional trust and economic coping strategies in both Russia and Iran. Given that it is challenging to directly investigate the causal pathways between economic sanctions and institutional trust, we reasoned that if sanctions do indeed influence institutional trust, this impact would reflect in the relationship between economic coping strategies in response to sanctions and levels of institutional trust.

Russia

In the case of Russia, our analysis revealed that, after controlling for socio-demographic factors, individuals with overall higher utilization of economic coping strategies are more likely to have lower institutional trust. This finding suggests that those with higher levels of using economic coping strategies may be experiencing more significant financial impacts due to sanctions, and their trust in government and institutions has been reduced as a result

5 The ANO Levada Center has been included in the registry of non-commercial organizations acting as foreign agents

6 Meaning that power in Iranian states across history has not been bound by independent laws or social classes.

of this financial insecurity. This interpretation aligns with existing studies indicating that downward social mobility is associated with political distrust and a tendency to «blame the system» (Daenekindt et al. 2018). It is also consistent with the relationship between economic insecurity and a lack of institutional trust (Perry 2021). In this context, it appears that individuals with higher utilization of economic coping strategies may have experienced a decline in their financial well-being due to sanctions, resulting in decreased institutional trust.

Another perspective is that individuals with lower institutional trust prior to the onset of sanctions may be more inclined to utilize economic coping strategies because they lack trust in the government's ability to protect them. This distrust may prompt them to rely more on individual coping strategies.

We cannot determine with certainty which interpretation is more accurate. However, a clarifying point may be that the relationship between institutional trust and ECS in Russia was specially observed for people with higher levels of seeking extra work, cost-cutting measures, and resorting to social and material resources – strongest in cutting expenses. Unlike traditional ways of storing value and modern investments, which require financial capital, these strategies are more accessible to individuals with lower incomes. This assumption is supported by the negative relationship between income and these strategies in our sample. Low income puts people at increased risk of moving into poverty under sanctions (Kokabisaghi 2018; Ghomi 2022), making them more susceptible to political distrust as a result of downward mobility (Daenekindt et al. 2018). Therefore, we conclude that in the case of Russia, the first interpretation is more accurate; meaning that certain coping strategies lead to lower institutional trust through the pathway of financial insecurity. It is important to note that it is not low-income alone that leads to political distrust; we found no relationship between income and trust. Rather, institutional trust tends to be lower in those whose financial difficulties have compelled them to cut expenses, seek extra work, and resort to social/material resources.

These results also align with the cultural values in Russian society. Individuals who prioritize security may perceive reduced institutional trust as a threat to both personal and societal stability, leading them to seek alternative means to compensate for this perceived instability. Security is associated with a preference for economic development and reduced wastefulness in Russian culture (Lebedeva and Tatarko 2018). Therefore, it is logical that those with low institutional trust may favor strategies such as seeking additional work and cost-cutting. Another prominent value of Russian culture is benevolence (Lebedeva and Tatarko 2018), which emphasizes the welfare of close others (Schwartz 2012). This cultural dimension may explain why individuals with low institutional trust turn to social resorts in times of economic hardship.

Additionally, the high uncertainty avoidance in Russian culture may drive individuals with low institutional trust to opt for more secure, predictable, and controllable economic coping strategies. Cutting costs, extra work, and seeking help from relatives and organizations offer a sense of risk mitigation and individual control. In contrast, strategies involving investments in cryptocurrency, stocks, and gold are more susceptible to external influences and carry greater financial volatility (Gupta and Chaudhary 2022).

Iran

We observed different patterns between institutional trust and economic coping strategies in Iran. There was no relationship between overall utilization of economic coping strategies

and institutional trust, suggesting that Iranians' trust in institutions may not be linked to potential financial impacts of sanctions on their lives.

This lack of connection may be explained by the political climate of Iran. As mentioned earlier, political distrust in Iran has roots in historical power dynamics between the state and society (Katouzian 2003). Accordingly, despite the economic instability in Iran, the focal point of its last major uprisings – the Green Movement and Women, Life, Freedom movement – was not economic problems, but issues of human rights (The Green… 2011; Khatam 2023). Therefore, the effect of sanctions on people's trust in the government may be overshadowed by the multifaceted distrust prevalent in the country (Kazemipour and Goodarzi 2022). This interpretation is also consistent with the lower levels of institutional collectivism (House et al. 2004) in Iran compared to Russia. Overall, these results suggest that the detachment of Iranians from the broader society and institutions stands as a prominent historical and cultural trait, independent of the economic behavior of individuals.

However, when we examined each specific economic coping strategies individually, the results indicated that individuals who engaged in more cost-cutting and had greater modern investments tended to have lower levels of institutional trust. These relationships may have emerged from pathways unrelated to economic insecurity brought by sanctions, especially considering the lack of an overall relationship between trust and economic coping strategies in Iran. We can make various arguments regarding each strategy.

For cost-cutting, while the relationship was similar to our observations in Russia, the reason for its occurrence may differ in Iran and may not be related to low income. We make this assumption because extra work and resorting to social/material resources had no relationship with institutional trust in Iran, despite their significant link with low income (using social/material resources was more closely tied to income compared to cost-cutting). Our explanation is that in the case of Iran, cutting expenses is linked to lower institutional trust through reduced life satisfaction. To elaborate, cutting expenses in our study concerned minimizing entertainment, vacation, and purchases of items like food and clothing, all of which are linked to life satisfaction (de Bloom et al. 2009; Dumludag 2015). Research also suggests a connection between life satisfaction and institutional trust (Aliyev et al. 2022). Therefore, we propose that cutting expenses in Iran may lead to lower institutional trust through the intermediary of reduced life satisfaction, rather than economic insecurity.

Furthermore, the presence of a connection between modern investments and reduced institutional trust in Iran, as opposed to the absence of this relationship in Russia, may be rooted in the different cryptocurrency regulations in these two countries. In Iran, the government has adopted a more restrictive approach to cryptocurrency, initially imposing a ban on its trading and possession in 2018. While the ban was subsequently lifted, certain restrictions remain in place (Freeman Law 2020). Consequently, using cryptocurrency in Iran might be perceived as a nonconformist behavior or indicative of a lack of trust in traditional financial institutions, potentially contributing to lower levels of institutional trust. In this scenario, we may propose that the link between modern investments and institutional trust is attributable to pre-existing low levels of trust, rather than trust being eroded as a consequence of economic insecurity resulting from sanctions. In contrast, Russia exhibits a higher degree of legal acceptance and official recognition of cryptocurrency (Freeman Law 2021). Therefore, the use of cryptocurrency in Russia may not be regarded as nonconformist conduct and, consequently, may not be strongly associated with diminished institutional trust.

We can further clarify this disparity by considering that, in comparison to Russians, Iranians place a higher emphasis on stimulation as a basic value (World Values… 2014) and

exhibit particularly low levels of uncertainty avoidance (Latifi 2006). It can be argued that because stimulation values reflect a tendency to seek novelty (Schwartz 2012), they contribute to a greater inclination toward cryptocurrencies among Iranians with low institutional trust, in contrast to Russians. Moreover, while the volatile and unpredictable nature of financial markets for cryptocurrencies and stocks may be less appealing to Russians with a high degree of uncertainty avoidance, Iranians with low institutional trust may be more willing to engage in these strategies due to their lower levels of uncertainty avoidance.

Sociodemographic Characteristics

We also investigated the role of socio-demographic characteristics in economic coping strategies. Our findings indicate that in both Russia and Iran, individuals with lower income levels are more inclined to seek extra work, use cost-cutting measures, and rely on social and material resources. These associations are more pronounced in Iran. Accordingly, we suggest that low income serves as a significant risk factor in both Russia and Iran for experiencing negative effects from sanctions and, consequently, resorting to economic coping strategies. Therefore, both countries may benefit from implementing policies aimed at protecting economically vulnerable segments of society. Additionally, we identified gender differences in modern investments in both Russia and Iran. This finding is consistent with previous research that demonstrates women are more risk averse and less inclined toward investing, compared to men (Lemaster and Strough 2014).

Limitations

This study has several limitations that need to be acknowledged. Firstly, the cross-sectional design of the study prevents us from establishing causality or drawing definitive conclusions about the relationship between institutional trust and economic coping strategies. It remains unclear whether individuals with lower institutional trust are more likely to resort to ECS, or if the negative impacts of sanctions, reflected in increased ECS utilization, lead to decreased institutional trust. Additionally, we cannot definitively attribute the use of ECS solely to sanctions, as other factors such as individual economic behavior, life choices, or risk tolerance may also contribute to varying levels of ECS utilization. Longitudinal studies are essential to provide further clarity on these findings.

There are also limitations related to the specific contexts studied. In the case of Iran, the long-term exposure to sanctions presents challenges in isolating the exact effects of sanctions on society. These effects may have developed gradually and become deeply ingrained in the culture, making them difficult to pinpoint through cross-sectional research. Conversely, in the case of Russia, the recent imposition of sanctions could have influenced the patterns observed in our results. Furthermore, cross-cultural comparisons between Russia and Iran are relatively rare, and making direct comparisons in economic behaviors and institutional trust without a comprehensive comparative investigation of their respective cultures provides only a limited perspective on the complex reality of the situation. Additionally, we did not explore the potential influence of religion, which could also play a significant role in shaping attitudes toward the government and preferred coping strategies in these regions.

Another limitation is the use of self-report measures, which are susceptible to response biases. This is particularly relevant to our measurement of institutional trust and the overall

purpose of the study, as individuals may be hesitant to disclose politically sensitive information. The violation of normal distribution in ECS and institutional trust is another limitation, potentially affecting the generalizability of the findings.

Conclusion

In conclusion, our study reveals notable differences between Russians and Iranians in terms of their institutional trust and the use of economic coping strategies in response to sanctions. The findings indicate that sanctions impact institutional trust in distinct ways in Russia and Iran, as evidenced by the varying relationships between economic coping strategies and institutional trust in these two countries. In Russia, it appears that individuals who have turned to economic coping strategies have been more impacted by sanctions' effect on institutional trust, particularly among those who have had to reduce expenses, seek extra work, and resort to social and material resources. Conversely, in Iran, there seems to be no significant association between institutional trust and overall economic coping strategies, suggesting that factors beyond economic insecurity contribute to low trust in this country. However, when we examined specific coping strategies among Iranians, we found that those who used cost-cutting measures and engaged in modern investments tended to have lower levels of institutional trust. These relationships appear to have emerged through pathways other than sanctions, such as low life satisfaction, restriction on certain investing activities in Iran, and cultural influences.

Future research could benefit from exploring the role of life satisfaction in mediating the relationship between economic coping strategies and institutional trust. Individuals' perceptions of sanctions may also be subject of further research. Specifically, it is worth investigating whether society members view themselves as victims of political conflicts, justify sanctions or perceive them as unfair, and assess how living in a country subjected to economic sanctions from the international community affects their mental well-being, global identity, and attitudes toward out-group members, including those from countries that have imposed sanctions. Furthermore, it is important to recognize that Iran has endured sanctions for over four decades, leading people to develop workarounds for accessing utilities that were never readily available to them. In contrast, in the case of Russia, people lost access to services they previously had. Future research should address this point of distinction and explore how Russians have coped with the loss of these services over time.

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Appendix

Structural Validity

We used confirmatory factor analysis to assess the proposed theoretical factors of the ECS scale. The results confirm the structural validity of this scale in Russia and Iran. Fit statistics were also within the satisfactory range; Russia: CFI – 0.952, TLI – 0.941, RMSEA – 0.050, SRMR – 0.069. Iran: CFI – 0.944, TLI – 0.930, RMSEA – 0.034, SRMR – 0.062. Factor loadings are presented in Table A1.

Table A1. Confirmatory Factor Analysis of ECS (Russia/Iran)

ECS item	Factor loading				
	1	2	3	4	5
Factor 1: Traditional stores of value					
5. Have you started investing in gold?	0.70/0.45				
7. Do you deposit money in foreign currency in Russian/Iranian banks?	0.67/0.61				
8. Are you investing into real estate?	0.57/0.55				
11. Have you begun to rent out an apartment, a country house or a garage?	0.55/0.26				
Factor 2: Modern investments					
3. Have you started investing into Russian/Iranian stock?		0.59/0.47			
4. Have you started investing into foreign stocks?		0.77/0.79			
6. Have you started investing in cryptocurrency?		0.75/0.70			

ECS item	Factor loading				
	1	2	3	4	5
Factor 3: Cost-cutting measures					
9. Do you save on current expenses (food, clothes, shoes, etc.)?			0.66/0.52		
14. Have you had to save on entertainment and vacation expenses?			0.97/0.80		
Factor 4: Seeking extra work					
1. Are you looking for a new job at the moment?				0.62/0.44	
2. Are you going to start a new business?				0.54/0.45	
10. Are you looking for extra income opportunities?				0.44/0.71	
Factor 5: Resorting to social/material resources					
12. Have you changed a living place for a cheaper alternative or started to share a house with relatives?					0.68/0.49
13. Have you sold any of your property?					0.66/0.53
15. Have you obtained financial support from relatives and friends?					0.48/0.58
16. Have you begun to receive help from public organizations?					0.69/0.39
17. Have you begun to receive help from social security agencies or other government organizations?					0.47/0.32

Source: authors' calculations

Note: ECS = economic coping strategies. The estimator method was diagonally weighted least squares.

Convergent and Discriminant Validity

We examined the Spearman correlations between factors of economic coping strategies, family coping strategies, and income in both Russia and Iran. In terms of convergent validity, we expected that economic coping strategies would correlate with income and external coping strategies. We also hypothesized that there would be no significant relationship between economic coping strategies and internal family coping, thereby establishing discriminant validity. The results, which are presented in Table A2, partially support these hypotheses.

Table A2. Spearman Correlations of ECS with Income, Internal Family Coping, and External Family Coping Strategies (Russia / Iran)

ECS Factors	Income	Internal Coping	External Coping
Social/material resorts	-0.21** / -0.27**	-0.151** / 0.046	0.240** / 0.199**
Modern investments	0.06 / 0.08	-0.059 / -0.024	0.174** / 0.002

ECS Factors	Income	Internal Coping	External Coping
Cost-cutting measures	-0.24** / -0.25**	-0.033 / 0.107	0.074 / 0.056
Traditional stores of value	0.05 / 0.19**	-0.027 / 0.011	0.176** / -0.004
Extra work	-0.12* / -0.12*	-0.071 / 0.105	0.176** / 0.146*

Source: authors' calculations

Note: ECS = economic coping strategies.

*p < .05. **p < .01.

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