

Ludwik Skiba, Robert Majkut***

INTERDISCIPLINARY ASPECT OF THE THEORY OF MARKET

The field called in this paper "the theory of market" probably best shows the needs and possibilities of interdisciplinary co-operation of social sciences. This co-operation can contribute to metamorphosing theory of growth into theory of development, considering quality changes in economic system. A good example for a hitherto existing co-operation, but also of many opportunities not yet exploited in this matter, are investigations concerning consumer behaviour. In the paper there is also attention focused on intellectual inspirations of interdisciplinary research, contained in works of such scientists, as A. Smith, T. Veblen, M. Weber, J. M. Keynes, A. Maslow, T. Parsons, N. J. Smelser and some others.

1. INTRODUCTION

The weakness of economics as a science, perceived both by economists and representatives of other sciences, is the lack of theory of development understood in a broader sense than theory of growth. It seems that this lack could be completed only by interdisciplinary research integrating economics' contribution with sociology and other social sciences. Science, as one of the highest forms of social consciousness grown on the ground of such earlier forms as art, religion and philosophy, is connected with other kinds of creative ways of investigating truth. Similarly to other systems of creative human activities, economic system does not exist separately. It is strictly associated with broadly understood social and cultural structures, or else, in individual dimension, with psychic construction of the people engaged in the system. Taking into consideration the above statement and willing to analyse profoundly economical phenomena, to develop creatively economics, we have to appreciate and employ the contribution and methods of other sciences. Special position in so understood system, and simultaneously interdisciplinary approach, is taken by social sciences: sociology and psychology. The requirement of interdisciplinary approach in considering economic matters in not anything new, however, such an approach brings about different dangers. Authors preferring it may expose themselves to the accusation of ignorance in respect to methods or resolutions of

* Wrocław University of Economics, Department of Macroeconomics.

** University of Wrocław, Department of Sociology.

the sciences that are not their speciality. However, erudition, knowledge of various methods and sense in their selection makes an attractive challenge.

The present paper is an attempt of interdisciplinary study of social and psychological factors of consumer behaviour and the role of individual consumption in macroeconomic dimension.

2. ECONOMICS VERSUS SOCIAL PSYCHOLOGY AND SOCIOLOGY

There exist such spheres of reality that actually cannot be examined in any other approach than an interdisciplinary one. On the field of economics this approach has to be employed in the analysis of social politics and managing matters. But first of all it concerns the problems of economical development, in short – integration of growth theory with these factors of social psychology and sociology, which influence quality changes of economical system in long terms.

Which socio-psychological factors are we concerned about? So, we have to focus mainly on social structure, institutions understood as obeyed norms and, finally, habits and lifestyle, mainly referring to definite ways of satisfying needs on the market of goods and services. These factors, as social stimuli of growth, were noticed previously by T. Parsons and J. N. Smelser (1957), W. A. Lewis (1956), B. F. Hoselitz (1963), K. B. Boulding (1970), and before that by M. Weber (1920), and A. Smith (1962). In theoretical system of J. M. Keynes (1956) one of the most important categories is psychological tendency to consumption, and similarly, psychological tendency to economizing. Here we propose to look at consumption in an interdisciplinary way, taking into consideration the role of individual consumption taking place on the level of a household, in macroeconomic system. J. M. Keynes in *General Theory of Employment, Interest and Money*, analysing the role of consumption in keeping economical system in balance, posed the question – if the individual consumer behaviour influences the national economy, or if it is the other way round – it is the economical system, that conditions consumer behaviour? Keynes' category of psychological, extreme tendency to consumption is a foundation for the hypothesis of absolute income. Formulating this hypothesis was preceded by a broad analysis of consumer's decisions concerning economizing and factors limiting these decisions. In later discussions over Keynes' system it is difficult to find his whole broad reasoning of consumer's psychology, who is directed by eight main motivations to economize. These are: carefulness, anticipation, calculation, bettering the standard of future consumption, independence, initiative, ambitions and meanness. In the course of his argumentation J. M. Keynes analysed the behaviour of the people who gained higher and higher incomes. On the basis of

this analysis he formulated the two basic notions: average and extreme tendency to consumption.

The rate of economizing grows together with the income growth. Being aware of the tendency to economize and the size of the profit, we may determine the level of consumption, assuming that consumption is not saved earnings. Consumption is a growing function of income, but along with the income growth, psychological tendency to consumption, both extreme and average, lessens.

J. M. Keynes' theory is a good example of interdisciplinary approach to economical problems. Consumption in this theory is an integral part of the huge theorem basing on the idea of providing balance of economical system of a given society. Besides, the author was a man of really renaissance nature. A philosopher, economist, mathematician, demonstrating in a perfect way the possibility of passing from investigating a single man, his motivations to economizing, to researching the effects of his decision for the whole economical system. As to the broadness of interests and thought horizons, he resembled the great Scotchman, Adam Smith (1962).

The influence of individual consumption on economical development is the initial assumption of the research of "consumer behaviour". This term used to be applied to name this sphere of realizing needs, which consists in making choices and purchasing material and non-material goods. Consumer behaviour is in its character of interdisciplinary kind (Kanuk, Shiffman 1987, p. 15). They are shaped under the influence of working economic factors (owned financial resources), social factors (belonging to definite groups, place in a structure constituting the society), and also psychological factors (aspirations, needs). Of course, we must not forget about biological, anthropological, and other factors that also influence consumer choices. Consumer behaviour belong to the lifestyle of a given person. They are conditioned more strongly by socio-psychological factors, than by economic factors.

The notion of needs is connected with the problem of consumer behaviour. To explain it, we have to transcend the strictly economic area, and use the contribution of other sciences. According to contemporary psychology needs result from the structure of personality, and their source is rooted in "occurring in the human psyche some bothersome tensions, whose reduction produces satisfaction – every human and animal organism strives to gaining and preventing some optimal state of physo-chemical balance with environment. Disturbing this balance causes unpleasant tension that is reduced by satisfying given need" (Obuchowski 1968, p. 57). In sociological approach "Human needs, of all kinds, are a part of social life, and they result on the ground of the culture characterizing given life. A human being acquires them

in course of socialization, as a member of society” (Żygulski 1977, p. 308). Among the constituent elements of needs we may enumerate: “1) the basic component – physiological state; 2) psychological component – which causes that a given basic need is perceived diversely on different levels of culture, knowledge, religion etc.; 3) socio-cultural framing, in which we may include e.g. cultural norms, customs, fashion etc.; 4) the element of the ostensibility of need – expressing itself in a specific emotional attitude to the framing, occurring as the result of the framing becoming self-sufficient, e.g. persistent keeping up with fashion, willing to distinguish oneself by possessing etc.” (Szczepański 1977, pp 16–17).

Needs are often subjects to the attempts of detailed concretization and systematization. One of the most popular is the concept of A. H. Maslow (1990). There arises the question about the sense of such classifications. In the light of the aim of our elaboration they do not consist any greater cognitive value, though they could serve as exemplification of “interdisciplinary nature” of consumer behaviour.

3. SOCIAL STRUCTURE AS INDICATOR OF CONSUMER BEHAVIOUR

The essence of needs is thus the fundamental assumption of interdisciplinary approach to the problems of the consumption sphere. The following question is the problem of social structure’s influence on people’s behaviour. Undoubtedly, it affects market behaviour of a human being as a consumer, and simultaneously as a disposer of production factors (land, work, and capital). Feudal system or the structure of a totalitarian society limits the scope of consumer choices and the liberty to dispose production factors, whereas the structure of a democratic, free-market society is favourable for quantitative and qualitative development of market behaviour. A. Smith was the one, who focused on the influence of the social structure on individuals’ behaviour, and he did it in the light of moral philosophy. He considered, among others, how it happened, that natural, egoistic motivations of conduct got changed as the consequence of interactions, to finally lead to an unexpected effect, which was social harmony (Skiba 1996).

The Veblen’s paradox and the effect of craze are connected with the influence of social structure on individuals’ behaviour. People have tendency to buy expensive, exclusive goods in order to gain prestige in the eyes of others. Such goods prove their purchase possibilities. Buying them, people want to communicate others, that in fact they belong to other groups, i.e. these enjoying more prestige, are more respected, and belonging to them is treated as an ennoblement and privilege (Veblen 1971). The term “social prestige”,

occupying central position in Veblen's paradox has to be explained by the prism of sociology's contribution, mainly by assignments concerning social structure and the consequence of occupying such and not other position on the scale of privileges and handicaps (Wejland 1983). The role of the model-establishing groups, i.e. the groups of reference for people behaviour was examined and explained by R. Merton (1982) – the apprentice of T. Parson, and he did it from the perspective of functionalism.

The environment's or model-establishing groups' influence finds its reflection in another paradox of consumer behaviour that may be treated as a manifestation of economic irrationality. It is about the effect of craze and the effect of snobbery.

Both above mentioned paradoxes may be explained only by referring to the theory of stratification and the influence of the social structure on people's behaviour. They occur, because a consumer acting on the market is not isolated from the world, but he exists in a defined environment to which he adapts and in a way he also changes it. So consumer behaviour shapes under the environment's influence. Human environment divides into natural, cultural and social environments. Natural environment is defined by natural and climate conditions. Cultural environment (culture) is identified with macrogroups homogenous in national, ethnical or social respects. Cultural contribution and accepted customs and norms of behaviour are essential here. Social environment, on the other hand, embraces people and their interactions with physical surrounding. Here the attitude of a human being towards other human beings and material things counts, and it is considered most often in structural system. Nearer surrounding consists of people and groups with whom a consumer maintains regular, personal contacts. It thus consists of relatives, friends and colleagues. A family, as the nearest social environment, has a particularly strong influence on shaping consumer behaviour. Farther surrounding embraces people and social groups with whom a consumer does not contact regularly, and he rarely has an opportunity to contact it directly. Most often it is an indirect contact by means of mass-media, films, cultural or sports events etc. The influence of the farther environment is usually complex, so it is hard to identify it, for it influences indirectly, i.e. in a way which is not even realized by a consumer (Kroeber-Riel 1970). Nearer and farther environments influence a consumer non-separately and alternatively. Direct effects may be observed in the personal contacts with the nearer surrounding and in indirect with the farther surrounding. Common influence of both, nearer and farther environments, on consumer behaviour can be permanent or impermanent. The effect is impermanent when the influences of the farther environment (e.g. an advertisement), become the target for negative criticism for the people from the nearer environment. In consumer behaviour the influences of the nearer surrounding are the most valid and

precious, especially those coming from people whom the consumer respects, admires i.e. honours with prestige, or (and) whose approval he seeks for himself. With his behaviour, he tries to conform to them, and simultaneously he tries to distinguish positively, thanks to which he expects to gain acceptance and approval of the members of the group of reference. This way he satisfies his individual need for belonging and respect, assures the feeling of belonging to environmental groups that he respects and by whom he is respected. In researches on consumer behaviour this groups are concerned to be of primary importance. They are also usually the pattern-making groups of reference. Groups of reference are all those social groups who, because of their position taken in the society, their prestige, and the features of superiority ascribed to them, such as incomes, wealth, the scope of executed political or economic power, become the object of admiration, envy and imitation for other groups (Szczepański 1977).

4. CONSUMPTION PATTERNS SHAPING

Consumer behaviour is characterized by changeableness, which finds its reflection in social patterns common to certain groups or social categories. "Establishing these patterns, the same as establishing behavioural patterns in other domains of life, consists in acquiring, in the course of socialization process, some schemes of reacting accordingly to the norms adapted by the group and in a way that is sanctioned formally or informally" (Sikorska 1979, p. 43). J. Szczepański wrote that "patterns of behaviour [...] express some established and acknowledged in a given culture regularity of phenomena processes, they are established patterns which let us "read" and understand human behaviour, because we know that some particular behaviour in a given situation expresses so and so intentions and tendencies" (Szczepański 1977, p. 102). For the need of the present discussion it would be sensible and useful to complete these definitions with an element which will give behavioural patterns operational character in respect to the research on social structure, "because beside the role of the consumption level as a vertical factor of social differentiation, the patterns themselves may appear an autonomizing factor of social status, the way of horizontal social activity, as participating in culture occurs to be. Considering the above, we may define consumption patterns as a system of hierarchically arranged aims and elicit consumption preferences and means and ways of satisfying these needs so characteristic for an individual or for the group, that it lets place them in relation to other individuals or groups" (Siciński 1976, p. 15). The problem of consumer behaviour therefore is connected to the theory of social stratification. In the opinion of many theoreticians of stratification, it is not only affluence or income level, but also education, lifestyle and professional position, that determine social position of an individual. Lifestyle and consumption

pattern "produce" many levels of social position and lead to social stratification. In the light of this theory satisfying individual needs and preferences plays secondary role in consumer's choices. The main criterion is the opinion of the social group to which an individual belongs or wants to belong. The motivation for conforming to the lifestyle of a given group, to the life standard valid in this group and distinguishing through the consumption are of ultimate importance for consumer's choices. Not conforming to a given standard of consumption may result in isolating or even removing from the group, whereas positive distinguishing serves strengthening one's prestige or increasing social position, i.e. it is helpful in climbing up the social ladder. Lifestyle can be understood as "the scope and form of everyday behaviour of individuals or groups, specific for their social position, i.e. manifesting their social situation and perceived as characteristic for this situation, and thanks to it allowing wide understood social localization of other people" (Siciński 1976, p. 16).

At the basis of individuating of consumption patterns as a group feature lies the phenomenon of conformist behaviour. A human being, aspiring to satisfy his needs that result from his social nature, participates in a group. "The condition for group acceptance is adaptation and conformity towards the group's norms and customs. This way the weight of individual choices and decisions gets diminished. An individual adapts to the rigours and submits to the power executed by the group over its members. This power realizes through the norms that have shaped as a result of interaction" (Newcomb et al. 1970, p. 241). Such conformity is concerned also in the case of consumption. We may risk a statement, that it is most spectacular in this sphere of life particularly.

Conformity and imitation are the factors characteristic for human psycho-social structure, which indirectly benefit to the inner consistence of the group. In this sense they strengthen inter-group differentiation in the sphere of consumer behaviour. The factor loosening the inner group similarity of behaviour are non-conformist acts. Appearing in a certain mass they may cause that the consumption patterns being characteristic for the group which allows situating it in relation to other groups, begins to vanish" (Sikorska 1979, p. 44).

5. CONCLUSIONS

At the end of our discussion it is worth reminding that while searching for some theory of economic development we have to consider many social and psychological factors conditioning long-term changes of the system, i.e. its development. In the present paper we were trying, on the basis of sociological and psychological aspects of the market, show the complex problems of social conditioning of the economic phenomena and processes. It seems that such an

interdisciplinary approach to the questions of economy can bring up something new and valuable to this science.

REFERENCES

- Boulding, K.B. (1970): *Economics and Science*. Prentice Hall, New York.
- Falkowska, M., ed. (1997): *Wartości, praca, zakup. O stylach życia Polaków [Values, Work, Purchase. On Polish Lifestyles]*. Wyd. Nauk. PWN, Warszawa.
- Hoselitz, B.F. (1962): *Sociological Aspects of Economics Growth*. The Free Press of Grenceo, Chicago.
- Kanuk, L. L., Schiffman, L.G. (1987): *Consumer Behavior*. Prentice Hall, New Jersey USA.
- Keynes, J.M. (1956): *Ogólna teoria zatrudnienia, procentu, pieniądza [The General Theory of Employment, Interest and Money]*. PWN, Warszawa.
- Kroebel-Riel, W. (1970): *Konsumentunterhalten*. Diss. Universitact Tuebingen, Tuebingen.
- Lewis, W.A. (1956): *The Theory of Economics Growth*. Oxford University Press, London.
- Newcomb, Ph. et al. (1970): *Psychologia dążeń ludzkich [Psychology of Human Aspiration]*. PWN, Warszawa.
- Masłow, A. (1990): *Motywacja i osobowość [Motivation and Personality]*. PAX, Warszawa.
- Merton, R. (1982): *Teoria socjologiczna i struktura społeczna [Sociological Theory and Social Structure]*. PWN, Warszawa.
- Obuchowski, Z. (1968): *Psychologia dążeń ludzkich [Psychology of Human Aspiration]*. PWN, Warszawa.
- Parsons, T., Smelser, N.J. (1957): *Economy and Society. A study of Integration of Economics and Social Theory*. Prentice Hall, New York.
- Parsons, T. (1979): *Szkie z teorii socjologicznej [Sketches from Sociological Theory]*. PWN, Warszawa.
- Siciński, A. (1976): *Styl życia. Koncepcje i propozycje [Lifestyle. Concepts and Suggestions]*. PWN, Warszawa.
- Sikorska, J. (1979): *Spoleczno – ekonomiczne różnicowanie wzorów konsumpcji w pracowniczych gospodarstwach domowych [Socio-economic Differentiation of Consumption Patterns in Workers' Households]*. Ossolineum, Wrocław.
- Skiba, L. (1996): *Spoleczny wymiar rynku w ujęciu Adama Smitha [Social dimension of Market in Adam Smith's Approach]*, in: *Spoleczny wymiar rynku [Social Dimension of Market]*. Wyd. UMCS, Lublin. Międzynarodowa Konferencja Socjologiczna [], Kazimierz Dolny, 28–30 XI 1996.
- Smith, A. (1962): *O bogactwie narodów [An Inquiry into the Nature and Causes of the Wealth of Nations]*. PWN, Warszawa.
- Szczepański, J., ed. (1977): *Badania nad wzorami konsumpcji [Research on Consumption Patterns]*. Ossolineum, Warszawa.
- Veblen, T. (1971): *Teoria klasy próżniaczej [The Theory of the Leisure Class]*. PWN, Warszawa.
- Weber, M. (1920): *Die protestantische Ethik und der Geist des Kapitalismus*, in: *Gesamnte Aufsätze zur Religionssoziologie*, vol. 1. Diss. Universitact Tuebingen, Tuebingen.
- Wejland, A. (1983): *Prestiż – analiza struktur pojęciowych [Prestige – the Analysis of Conceptual Structures]*. PWN, Warszawa.
- Żygulski, K. (1977): *Przemiany potrzeb we współczesnym społeczeństwie [Changes of Needs in Modern Society]*, in: *Szczepański, J., ed.: Badania nad wzorami konsumpcji [Research on Consumption Patterns]*. Ossolineum, Warszawa.

Received: 20.10.97; revised version: 28.02.99