

AGENDA

1. The definition of the market society
2. The concept of homo-socius
3. The evolution of the individuals' behavior
4. Market vs. individual
5. Efficiency vs. non-efficiency
6. Institutions

MARKET SOCIETY

- The market society is kind of formation which arises as a result of expansion of the market rules and market ethics throughout all spheres of human action.
- It enables an unimpeded development of the market order.
- In the frame of a market society there is no room left for wealth not dependent upon the market.
- The market is the central point of all activities of individuals, thus there are no activities having different nature than market.
- There is no conflict of rightly understood interests of individuals in the market society.
- In the frame of the market society the citizens' selfishness will have the same effect as the unselfish state would realize.

MARKET SOCIETY

- Features such as imitation, rivalry and striving for success.
- Catallactic order indicates two absolute values being freedom and private property.
- The foundations of the market order are instincts and the process of discovering knowledge is guided by chance.
- The market logic leads to efficient and fair functioning of the economy.
- The institutional order which subordinates to market rules assures civilized “war all against all” and takes proper care of the interests of others. This is the form of ethics which the market society follows [Hayek, 2006].

HOMO-SOCIUS

- Institutionalization of social processes grows out of the habitualization and customs, gained through mutual observation with subsequent mutual agreement on the “way of doing things”. This reduces uncertainty and danger and allows limited attention span to focus on more things at the same time, while institutionalized routines can be expected to continue “as previously agreed”.
- Socialization is a two-step induction of the individual to participate in the social institutional structure.

HOMO-SOCIUS

- Symbolic universes are created to provide legitimation to the created *institutional structure*. Symbolic universes are a set of beliefs “*everybody knows*” that aim at making the institutionalized structure plausible and acceptable for the individual—who might otherwise not understand or agree with the underlying logic of the institution. As an ideological system, the symbolic universe “*puts everything in its right place*”. It provides explanations for why we do things the way we do.

EASING THE HUMAN NATURE

- The hybrid form (passions, mind, interest) of human actions was assumed as free from destructive force of passions and from ineffectiveness of mind. The actions of individuals which followed the interest motive became easier to predict and clear for the surroundings, thus the relations and cooperation became more harmonious.
- The financial calculation gained social favor due to the common need for stability and security. The concept of doux commerce guarantees the freedom in the political and cultural spheres.

EASING THE HUMAN NATURE

- The trade was also identified with good practices, politeness, smooth manners and activities being useful. This was a result of faith in human tendency to achieve financial benefits which can lead to counterbalancing the destructive tendencies of individuals, and simultaneously stimulating other positive characters such as willingness for cooperation.
- The social development is connected with the mechanism of homeostasis consisting in set of defensive measures, being used by a system in the threat of instability and unexpected change.

EASING THE HUMAN NATURE

- G. Simmel defined competition as an institution stimulating the empathy and strengthening the social relations between sellers and buyers.
- E. Durkheim pointed out that market expansion and division of labor are the unquestionable sources of relations uniting the society, nevertheless they are insufficient for creating the coherent civil society with the network of relations and obligations.

DISADVANTAGES OF CAPITALISM

- *Trading* is common practice and a way of living, but the individuals are *solitary* and the relations between people do not differ from relations between the owner and his material resources (Ferguson).
- A phenomenon of “disappearing of moral heritage of capitalism” - the market diminishes the significance of moral values, being heritage of previous social systems and foundations of capitalistic system (Hirsch).

DISADVANTAGES OF CAPITALISM

- Rising *anonymity* and *mobility* of *industrial societies* is opposed to the *morality of individuals*, being in fact the framework of economic individualism. The more individuals are trying to achieve own goals, the more the realization of social interest become worthless (Hirsch).
- The capitalistic societies *reduce* the role of mind to rather instrumental item, focused mainly on the choice of means. The societies are able to exist without some *civilization ideas*, but this kind of existence is to some extent *“partial”* and dangerous for further development.

THE INDIVIDUAL AND THE MARKET

- The assumption according to which the human being is only an “economic animal” is directly conditioning the treatment of any ethical problems as external factors, having small impact on the economic logic.
- It is assumed that individuals operating within the market and in accordance with market rules do not have to think about their actions, do not have to cheat or to inspire confidence and be honest, as the mechanistic metaphysics eliminates the process of thinking from the institution of free market.

THE INDIVIDUAL AND THE MARKET

- Effective, rational and in accordance with valid rules behavior of individuals is unattainable in any known socio-economic system.
- The development of the individual and the civilization within which he/she lives is often called in the literature “a growing ability to act in thought-out way”. The rising trend is realized due to gathering, passing, verification, systematization and generalization of information and gained experience by each individual and the whole society.

THE INDIVIDUAL AND THE MARKET

- K. Popper defined civilization as “intersubjective sensible knowledge” being in fact the world of ideas, scientific theories and research procedures which gained autonomy and independence from the power of its creators. It became the reality and knowledge without “knowing entity”.
- The lack of experience, ignorance and mistakes force individuals to exist in some form of “tunnel” of limitations.

X-EFFICIENCY

- The individuals act in a way being *previously formed*, using *learned and memorized methods* and following a *set patterns*. “If context are periodic, individuals may work out a simplified decision procedure in which they find it convenient to repeat their behavioral pattern time after time. (...) In other words, if the choice context repeats itself, it is unnecessary for an individual to go through complex decision processes in the same way, and to the same degree, and with the same information and exploratory costs, on each occasion” [Leibenstein, 1976].

INSTITUTIONS

- The individuals act and think in the social world. Most of values and emotions they hold are not direct products of their individuality, but are dependent on institutions, traditions and patterns. The human action is not autonomous. In most cases individuals are formed, rather than form anything. That is why at the beginning of life individuals perceive themselves as social beings, which function due to symbols and ideas adopted from society. The personality appears as a result of further development, giving the individuals an ability to think, criticize, distinguish, accept and reject.

INSTITUTIONS

- The risk, uncertainty, bounded rationality, incompleteness, and asymmetry of information are the main issues being in the sphere of interests of institutional economists and which slip away the orthodox economics' understanding. Institutions are necessary for the harmonious cooperation, safety and equalization of opportunities. This need results from the fact that relations between individuals are simultaneously cooperation and competition.
- In the era of globalization and the development of information society, analysis of the economic factors should go hand in hand with focusing on cultural differences.

INSTITUTIONS

- The culture is a creation of humanity, but functioning within its frames needs previous socialization and institutionalization.
- These are not individuals and atomized beings who think, but people in the specific groups, who created styles of thinking implemented in the innumerable, typical situations.
- Each theory should apply ontological and moral categories. The knowledge regarding human beings and societies created by them should focus primarily on the history of culture and institutions, and not on the separate existence.

CONCLUSION

- Most of the modern human relations are settled in the economic system instead of the economy rooted in the social relations. The market economy can operate properly within the framework of market society, thus on the constant basis it strives to form the society in its image (and likeness).
- The domination of the neoliberal projects of the economy and society prevailing in the world is the main reason of the decline in citizen and moral values. The socio-political matrix established in accordance with neoliberal rules and values contributes to global spread of identical political, economic and consumer way of functioning, which leads to uniformity and reification (objectification) of individuals.

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Thank you for your attention.

