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Economy and Sociology. The Likely Directions of Cooperation

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Abstract

In the article, the likely directions of cooperation between economists and sociologists are explored. Such an endeavour requires a thorough discussion concerning ontological and epistemological issues. Establishing such cooperation is not an easy task, yet it is feasible, provided that the common part of the social system and the society, that is people playing various economic, social and political roles, is the subject of interest for scholars associated with the both fields. Furthermore, investigating the problems that have not yet been tackled by either economics or sociology seems to be another direction for future interdisciplinary research.

Introduction

There is only one reality. But in the historical process of its cognition two research approaches have emerged. The first one, originated from René Descartes, and is characterised by the pursuit of knowledge of the whole thing by investigating its fragment. Scholars who apply this approach form their judgements on the basis of isolated relations independent from the influence of many factors. And later try to

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make generalisations. Thanks to the application of this method various branches of science started to specialise. And each of them found its own research methods, notional/conceptual apparatus and theories. This has led to the accumulation of great resources of knowledge. Almost all modern scientific achievements could happen because of the specialisation of science. But a side effect to this phenomenon was the loss of communication between scientists in different branches. A contemporary conomist will not comprehend scientific papers from other branches of science, like physics, because they do not use the same lingo. Consequently, the image of the world that scientists have is fragmentary and limited to a narrow specialisation.

The second, opposite research method consists in the pursuit of knowledge of the whole thing, and based on that, investigating the elements it is made of. It originates with Aristotle, and up until mid-20th century it occurred solely in philosophical discourse. It was the foundation of the general systems theory by Ludwig van Bertalanffy that introduced this method to the scientific research (Bertalanffy 1976).

So far, this field of science has not been fully formed. At present there is a discrepancy of opinions on what the general system theory is. G.J. Klir pointed out that it was considered as a 'formal theory' (Mesarovic, Wymore), methodology (Ashby, Klir), way of thinking (Bertalanffy, Churchman), a way of looking at the world (Weinberg), a quest for optimal simplification (Ashby, Weinberg), didactic method (Boulding, Klir, Weinberg), metalanguage (Lofgren), and profession (Klir) (Klir 1976). The multitude of presented definitions impedes an unambiguous evaluation of the input of the general systems theory in the development of science and blurs the picture of the further development of the general theory of systems itself. Two opposite positions on this matter were taken by von Bertalanffy and G.M. Weinberg. Ludwig von Bertalanffy expressed an opinion that as a result of the development concepts that are discrepant now 'will be striving toward unification and eventually form a metatheory explaining a multitude of phenomena' (Bertalanffy 1976). G.M. Weinberg, on the other hand, predicted a multi-directional expansion of the general systems theory. 'Let's hope that no system of theory of systems will ever eliminate the other systems – that no approach will be promoted to a dogma, an no group of scientists will become the high priests. Shouldn't we rather let a hundred flowers bloom...?' (Weinberg 1976).

Some concepts applied in the general systems theory (such a the aim, the structure, the needs, the value) are likely used in social sciences. But they are differently defined and are used to construct different, sometimes even opposing, theories. The state of an internal disorder of social sciences corresponds with the multitude of the concepts of the general systems theory. It is very difficult to get through the 'thicket' of various

definitions given to different terms, opposing interpretations and unending disputes. That is why I shall present my own concept, leaving the polemic over the other approaches for another time.

At present, the social reality is investigated by many academic disciplines, such as: economics, sociology, political sciences, history, social psychology, to name just a few. Each of them looks at the reality through its own peephole fitted to different shapes depending on the applied research methods. That's why images of the social reality obtained by different social sciences vary. Besides the differences that have objective justification, there are also various animosities between representatives of particular disciplines of social sciences. We know for instance that economists do tend to neglect sociologists, etc. At the same time, social scientists feel the need to get a fuller, bigger picture of the society by using the accomplishments of the related sciences. Hence the development of research on the borders of different fields of social sciences that gives rise to new disciplines, such as economic sociology, socio-economic, etc. Pondering the possibility of cooperation between economists and sociologists requires an analysis of ontological issues (in reference to the object of research) and epistemological (in reference to the research methods).

1. Selected Epistemological Issues: Specificity of Social Sciences

There are numerous differences between natural and social sciences, including economics. On occasion these differences can cause an inferiority complex in representatives of social sciences. The differences are usually objective and result from unlike objects of research.

1.1. Phrasemongering

A mathematical description of the observed reality is possible in natural sciences. It also excludes the possibility of phrasemaking in research description. In social sciences, on the other hand, there are no such limits. 'The use of jargon and unclear expressions can be explained by the natural human desire for prestige and recognition with minimum effort, in this case the mental effort and the risk of uttering unpopular opinions. Vague rhetoric diminishes that risk along with the need for in-depth

studies, and moreover, it opens the way to a brilliant academic career for people of mediocre intelligence, whose limited capacity would otherwise be exposed – had they expressed their opinions briefly and clearly. Basically, the relation between a 'scholar' abusing his jargon and the volume of phrases produced by him could be described by an equation, that I propose to call a Phrasemongering Equation. It should be applied in the following manner: the first step is to intuitively ascribe the proper number of points (according to the estimated volume) to the author's ambition (A) and his/her knowledge (K), which has to be more than zero, as there is no one who would know absolutely nothing. Therefore A should be a positive number, because someone without any ambition would not bother to write anything, ergo our equation would not be applicable. P stands for the volume of phrasemongering. And this is our equation:

$$A/W - 1 = P$$

Why is there a '–1'? Because if the knowledge equals the ambition, there won't be any phrasemongering. If the knowledge exceeds the ambition, P is negative, and negative phrasemongering means conciseness and substantialness. However, there is a limit to conciseness, so P should never be lower than –1. But there is no upper limit to phrasemongering, it can grow infinitely, and the bigger grows the ambition, the smaller gets the knowledge. Obviously, our equation cannot be considered an exact science, until scientists come up with an exact scale to measure all variables, and the results are tested empirically. But my humble opinion is the regularity described by this equation reflects the reality just about right, and the reader can test it on the authors of the books he/she is reading or his colleagues, teachers and students. The explanative and predictive value of my equation in reference to the reality is approximately the same as in most mathematical economics formulas. The advantage of this equation is that it explains the behaviour of many types of authors, from a student who tries to write a mid-term paper having read too little, to a renowned scholar who has an extensive knowledge but gives in to megalomania". This quotation well describes one of the characteristic aspects of social sciences and I could not resist quoting it in this paper.

1.2. Evolution of the Object of Research

For natural sciences evolution is a historical event, but in economics and other social sciences the object of research has been changing very quickly. This refers for instance to:

- production scale: from individual, through craftsmanship, to massive production;
- form of organisation: from one craftsman, through a private workshop that employs journeymen, to a joint stock company and multinational corporation;
- market structures: from free market, trough monopoly, to oligopoly;
- legal and financial institutions;
- technologies,
- forms of government intervention in the economy.

The unending changes of economic processes is a challenge unknown to natural sciences. For physics, chemistry and biology, evolution is the theory that explains the past, and the object of research is the product of evolution which in time does not change anymore unless the change is made by a man. For this reason the conclusions of these sciences and the laws discovered by them do not lose their validity as the time goes by, at the most, the become special cases in the more general theories. For social sciences, evolution is not in the past. It is in the present as the object of research itself is evolving. This calls for the permanent adjustment of the theory to the changing reality. Theories that used to be valid ten years ago, today turn out to be irrelevant. The development of natural sciences leads to the augmentation of our knowledge of the world – whether we take the cumulative point of view or not. The development of economics, if it is slower than the pace of economies, can lower the already achieved degree of knowledge. It can lead to a cognitive crisis. Theories that until now explained well the reality now lose their explanatory value. This is what happened to Thomas Malthus, who invented the Principle of Population, also known as a Malthusian Catastrophe, which proposed the idea that population increases at a geometric rate whereas the food-supply grows at an arithmetic rate, and because of that humankind was bound to be decimated by famine, epidemics and wars. Following the development of capitalism and the consequent increase of wealth, societies made demographic transition twice and the Malthusian principle ceased to portray the social reality of developed countries. Many critics condemn Malthus for this, but they don't understand that in his times the Population Principle was right. Similar phenomena occurred after the Great Depression, when the classical economics failed to explain the reality, and the Oil Crisis that made part of the Keynesian theory obsolete.

1.3. The Meaning of the Scientists' Hierarchy of Values

Both natural sciences and social sciences are man made. The men who make those sciences have their own values which they took from their homes, religion-based, formed by their social environment and life experience. It is usually considered that individual values do not have impact on the study of nature. This viewpoint is rather simplified, which can be clearly observed in modern genetics. Nevertheless, in economics the dominant opinion is that science should be free from the hierarchy of value and in this sense – unbiased. This is just yet another symptom of the inferiority complex in the representatives of social sciences. It is very conspicuous in the history of economic thought, which quite uncritically accepts the division into normative and descriptive economics. The status of scientificity is granted only to descriptive economics. The classical economics is considered to be the first official science. The earlier normative concepts are deems pre-scientific. Against this wishful thinking, the scientists' hierarchy of values is – intentionally or unintentionally – at the basis of all economic theories. They may vary, depending on the social, political, and religious convictions or preferred economic goals. Sometimes the decisive factors are hard to identify because the authors pretend to be objective in their work and deliberately leave out the judgements and assumptions that in fact are fundamental for their research.

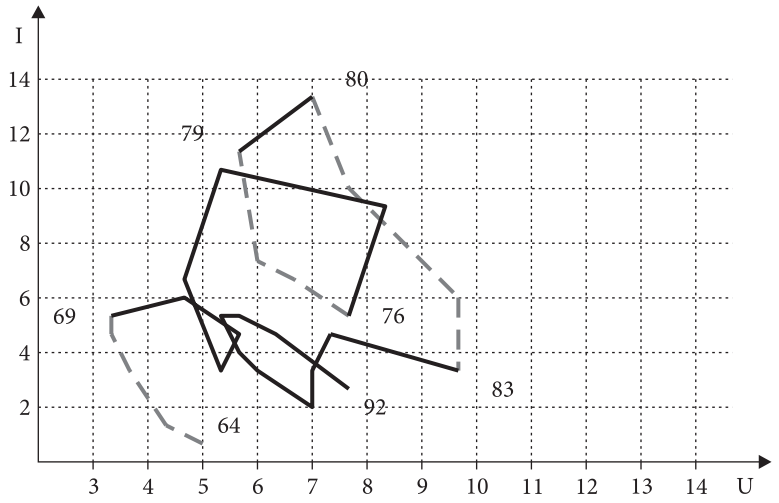
1.4. The Absence of Conclusive Empirical Tests

In social sciences opposing theories can coexist, due to the lack of conclusive empirical tests. A good example is the Philips Curve that illustrates the relation between inflation rate and unemployment.

Picture 1 demonstrates that in the economic history of the united States there were periods when the relation between inflation and unemployment complied with the Philips Curve, like for instance the years 1964–1969, 1976–1979 and 1980–1983 (fitful line). In all other years this correlation is hard to notice. Does this mean that the principle described by Philips ocurrs periodically? And if so, in what circumstances?[1] If one relies selectively on statistical data, which is fairly

[1] For example, a Soviet economist Victor Novozhilov was sent to a penal labour camp of the Gulag for his attempt at formulating the principles of effective investment. His fault was that in doing so, he suggested the Communist Party should have less freedom in setting the amount and the purpose of investments.

common, they can provide confirmation or contradiction to any thesis. This enables the coexistence of contradictory theories and directions of scientific research, for example in the Neo classical economics and the Neo Keynesian school.



Picture 1. Inflation and unemployment in the united States in the years 1964–1992
Source: Snowdon, Vane, Wynarczyk 1998: 163.

Conclusive experiment, which is the most widely applied criterion of verisimilitude in natural sciences, is extremely costly in social sciences. For instance, the experiment with the forcible collectivization of agriculture in Ukraine conducted by Stalin cost millions of lives (the exact data are unavailable, estimates are between 7 to 10 million people). It caused famine and cannibalism (with parents exchanging their dead children with the neighbours in order not to eat their own). Despite obviously negative results of this experiment, collectivisation of agriculture was later introduced in other communist countries as well. In countries such as Cambodia and China millions lost their lives as a consequence. Totalitarian regimes apply faulty solutions regardless of the social costs.

1.5. Interaction Between Subject and Object of Research

It was not until the 20th century that natural sciences discovered the phenomenon that social sciences had been well aware of since ever: the interaction between the subject and the object of research. The conviction that an experimenter modifies the

object of research was endorsed by the natural sciences just before the World War II, after the Heisenberg's Principle of Uncertainty had been established. However, social scientists always knew that making the statements that would not please the ruler could be risky[2]. That is why they preferred to paint the pictures ofperfect utopias, which contained a veiled critique of social and economic relations.

During the recent decades the tyrant was replaced by the social opinion. Hence the avoidance of sensitive, politically incorrect subjects, like for instance the economic problems resulting from decolonisation in the Third World. The censorship of the economic correctness eliminates from scientific life some areas of research andsome research results, like for instance IQ test results of people with different skin colours.

Much broader and more inspiring reflections on the specificity of social sciences, worth closer examining, have been presented by Stanisław Andreski (Andreski 2002).

2. Selected Ontological Issues: Man – Society – Social System – Natural Environment Relations

Let me start the definition of relations occurring between the man, the society, the social system and the natural environment from the man – society part.

2.1. The Man-society Relation

There are two competing approaches to this relation. One acknowledges the superiority of the man over the society, the other subjugates the man to the society. For me the starting point of the reflection upon the man – society relation is the man, as it is in the man that all echelons of organization of the matter[3] converge: non-organic, organic, social and psychological.

[2] The answer to this question has been given by M. Friedman and E. Phelps, who proposed an expectations-augmented Phillips Curve.

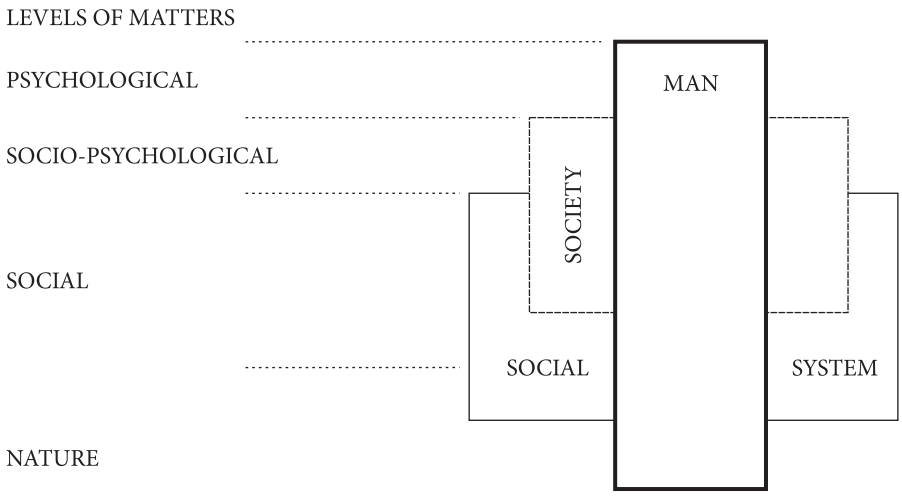
[3] By 'matter' I mean the reality. It is a reference to the thesis of the 'material unity of the world' which constitutes the basis of natural sciences. I put this phrase in the quotation marks in order to mark the difference between my understanding of the 'matter', and the materialism sensu stricto. In my understanding the 'matter' encompasses the matter (in the physical sense of the word), the movement and the form. It is in reference to Aristotle. These three aspects of the 'matter' as a philosophical

The general system analysis tells us that on every level of organisation there occur the proper spontaneous processes that indicate the needs. From this we can conclude that since the needs are connected to the particular levels of organization, the structure of needs reflects the structure of levels of organization. If we adopt as a model the Maslow's structure of the Needs Hierarchy, in sequence, which puts the self-actualisation on top, which is a psychological need referring solely to particular individuals, we should opt for the opinion that the individual is superior to the society. However, assuming that the individual is superior to the society evidently contradicts the obvious fact that an individual is just one of the elements of the society. At this moment a specific paradox emerges: how is it possible that the individual, concluding from the structure of their needs, is superior to the society, being at the same time an element of it? This paradox, at least in the literature on the subject known to me, has not found a satisfactory solution so far. I believe that the key to its understanding and the correct definition of the social system structure is to take into consideration the delay of the unification tendency against the differentiation tendency, which occur in the process of interaction of the natural system and the environment. How I understand this is that as a result of the differentiating tendency every man is a unique individual, and his/her uniqueness is in the psyche – the topmost evolutional level of organisation of the 'matter'. At the same time, a man, being a unique individual is a psychological sense, is only one of many elements of the biosphere, as the unification tendency had encompassed all living creatures on the planet. A man is also one of many element of the society, but only on those levels of organisation that had been encompassed by the social unification tendency. These reflections lead me to an important conclusion that not all levels of human organisation are part of the social system. The biological and psychological level of organisation of a man remains outside the social system. The statement that some levels of human organisation make part of the social system equals the statement that they are regulated by the social system. However, there are certain phenomena that are both psychological and social in character, like for instance bonds of friendship, love or common interests, which are not regulated by the social system. They need to be placed in the man – social system relation for two reasons. First, in the hierarchy of needs, proposed by Abraham Maslow, love is inferior to self-actualisation. Satisfying the need for love is only possible through forming a bond with other people, which indicates the social character of love. Secondly, social groups united by the bods of love or friendship are

category correspond with the categories adopted by the natural sciences: the mass, the energy and the information.

not subject to the regulation of the social system, which indicates the necessity to distinguish a separate level of organisation for these phenomena. Due to their dual, psychological and social character I propose to call it the psycho-social level. The proposed approach is presented on Picture 2.

It demonstrates that the social system does not entail all social phenomena (it is not the same thing as the society), while some psychological needs can only be met in forming a bond with other people, through which the society is a broader notion than the social system. It also involves the social phenomena unregulated by the social system that are connected with the human psyche.



Picture 2. Relation: Man – Society – Social system

Due to its great complexity and multi-layer structure, the man – being one of many elements of the society belongs at the same time to its biosphere, and due to the psychological aspect is superior to the society (the society is the man's biosphere). The proposed approach combines two abovementioned positions which seemingly exclude each other.

2.2. The Social System – Society Relation

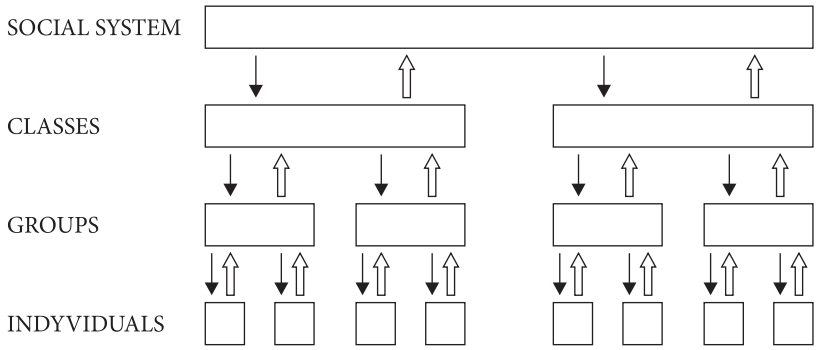
The society is created by people. The social system also includes the non-personal elements. Because of this, in analysing the social system – society relation we must take into account two aspects of this relation: personal and non-personal.

2.2.1. Personal aspects

Definition of the man – society – social system relation is only the first step on the way to reconstructing of the social system structure. In this chapter I undertake the analysis of the common grounds for the man and the social system.

The social system is a collection of individuals (in their social dimension). What connects the man with the society is the social roles he/she plays. The concept of social roles assumes that the man plays various social roles, like producer, manager, family member, politician and many others.

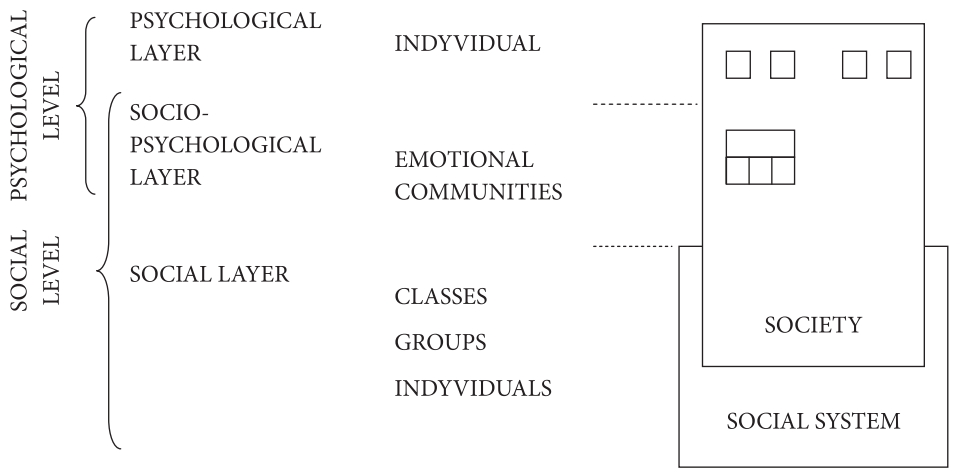
The social system is a certain collection of individuals. The definition of the man – social system relation points out that the social system does not encompass individuals wholly in all their dimensions (the social system is not a system of organisms or a psychological community), but only within the scope of some social roles played by those individuals. The relationships between people playing certain social roles have impact on the social system structure. The structure is a very capacious term in which many cross-sections may be distinguished. The initial step to identify the fullest possible social structure (i.e. encompassing a multitude of phenomena) is to demonstrate the stratification of the social system. Its order is hierarchical. The lowest echelon of organization is made of particular individuals who are connected on a higher echelon into social groups, which for their part form – on yet another echelon – classes, and classes make up the social system. This hierarchy is presented on Picture 3.



Picture 3. Social system stratification (I)

The society is a wider notion than the social system, because, unlike the social system, it encompasses psycho-social phenomena. The psycho-social phenomena in the structure of the society correspond with emotional communities. Emotional

communities are what I call the groups of people connected by emotional bonds, such as families, social circles, etc. They are disconnected from the social system because, they are not regulated by the social system and there are no bonds between various emotional communities. Due to the lack of bonds between various emotional communities and their detachment from the social system, the society cannot be considered a system. The stratification of society corresponds with the levels of organisation of the 'matter'. This is illustrated by Picture 4.



Picture 4. The structure of stratification of the society and levels of organisation of the 'matter'

On the social level I have distinguished two strata: political and economic.

2.2.2. Non-personal elements of the social system

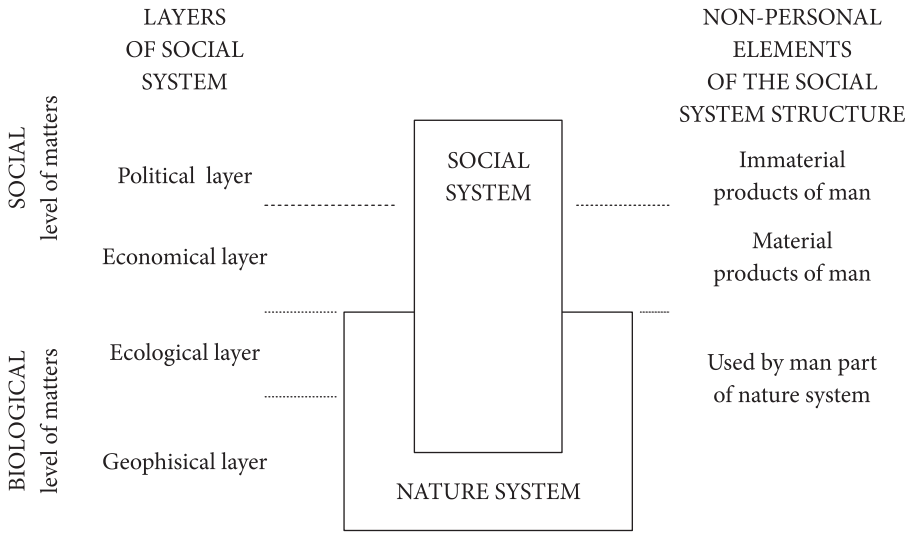
Up to this moment I have only analysed the human (personal) aspects of the social system. But the non-personal aspects of the social system also deserve a consideration. There is a number of them. The most obvious non-personal elements of the social system are things – the material products of the man. There is a certain analogy between the man – social system relation and the thing – social system relation. The things can have different functions and be used on different levels of social system hierarchy in the same way as individuals play different social roles, although in general material things belong to the economic sphere.

Another non-personal element of the social system are immaterial products of men. They include: ideas, beliefs, views, institutions, etc. Like the things, they can

occur on different levels of organisation of the social system, although in general they belong to the political sphere.

The next non-personal element of the social system is the part of the Nature system used by men. This approach complies with the theoretical recommendations by B. Kamiński and M. Okólski, who included the part of Nature system used by the man in the physical subsystem of the social system. Based on Mesarovic and Pestel's model of the world, the Nature system has two levels: environmental and geophysical. The former is living organisms, the latter is inanimate. The phenomena taking place on both levels have economic as well as biological character (in analogy with the phenomena taking place on the psycho-social level which have both social and psychological character). The man, inasmuch as he is a social being, (through the social roles he plays, not as an organism) is active on those levels for economic purposes and, to some extent, biological too. The rest of biological purposes of the man is fulfilled on the outside of the social system, when the man is acting as a living organism and not a social being. The scope of biological purposes of the man fulfilled within the social system is historically changeable and depend on the degree of the man's control over the Nature. The needs as well as the value creative processes taking place on this level are both economic and biological in character. The are regulated according to the Nature system and the social system.

The social system structure, including the non-personal elements, could be presented in the following manner:



Picture 5. Non-personal elements of the social system structure

The above reflections complete the definition of the society – social system relation. One the one hand, the social system is a narrower notion than the society, since it does not include psycho-social phenomena. On the other hand, it is a wider notion, because it encompasses part of the phenomena happening on the environmental and geophysical level, which do not make part of the society. There are also differences between the social system and the society on the social level of organisation of the 'matter'. On this level, the social system is a wider notion than the society, because apart from individuals (people) it also contains material and immaterial products of men.

3. Possible Areas of Cooperation of Economists and Sociologists

The natural area of sociologists and economists' cooperation is the common part of the social system and the society, i.e. the personal elements o the social system – people – playing various economic and political social roles. It seems to me that cooperation with sociologists could prove helpful to economists in such cases as research on consumer, investor and employee preferences. In theoretical economics these issues are usually neglected by assuming that the curve of indifference that illustrate people's preferences can have different angles. A more accurate description of these preferences could be a valuable indicator for economic policy makers. One can hardly anticipate significant success from the policy that goes against social expectations.

Another area of cooperation could be to investigate some new problems that have not been tacked by either economics or sociology so far. I may be wrong, but one of such problems is the phenomenon of Internet communities. It has got a social dimension, as well as economic, and in time will probably gain a political dimension too.

I think it is difficult, though constructive, to start cooperation in the areas that create problems for both sociologists and economists. But it is better to share achievements than failures.

Finally, cooperation requires good will and mutual respect, which in turn means that economists and sociologists will have to break out of an entrenched stereotype.

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