The Impacts of Market on Modern Social Structure

(What happen to modern social structure when market system metamorphoses into market society)

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Abstract

The market is a kind of social system or structure that interlocks to human social life over the course of time. Indeed, in each period of human civilization, the market has shaped itself inconsistent with other social structures. Therefore, people have always been in the interaction with markets in their social life. This situation facilitates internalization of market’s norms and values through a process of socialization. When social life became more complicated over the course of time, the market system also became complex to meet a new form of needs and demands. Since the dimension of human action expanded, the market expanded its dimension consistently to meet people’s desires. It means market entered to new social spheres that it could not be entered in pre-modern history, due to the simplicity of social life in which it did not let the market to expand its dimension. To put it another way, since market became a system in social life, it needs to work as a system to satisfy the enormous amount of social demands, which people have in modern social life. Due to expansion and complexity of the market system into different social areas, it can be studied from different perspectives. Specifically, consumption can be defined as a linking point under the shadow market because consumption can realize when markets exist. Hence, markets create consumption and let it emerge in social life. As a result, by putting a premium on consumption, we can perceive how market system impacts social structure because the market has its norms and values that would be impossible to perform without them. This paper seeks to delve into the notion of consumption to realize how the market as a social system changes social structure of modern society. In this article, consumption is perceived as a factor that bridges the gap between market and social structure. Therefore, it is a vantage point to analyze impacts of the market on modern social structure by analyzing consumption.

Keywords: Market, Money, Market society, Consumer Society, Individualism, Market system, Consumption

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Introduction

The history of human social life has always experienced changes and challenges. Precisely, in each historical era, a human has tried to find ways to cope with challenges and changes. However, beyond all these complexities, some common phenomena can be found in spite of all changes in human social life. One of these common phenomena is market because it connected and evolved according to human social life. The dimension of this evolution can be traced from commodity/bargain base markets to online markets. Therefore, the market has always had its distinctive position in human society. Specifically, considering the market as one of the integral systems of society reached to its apex after the World War II. Due to this consideration, the market gained an unprecedented credit, in a way that considered as the only source of producing and distribution of wealth. (Slater, 2001:2). Interestingly, by believing in markets as a practical and lucrative source of production and distribution, market values also being more highlighted in social life. It means that logic of the market, which is the process of buying and selling dominated not only commodities but also human social life (Sandel, 2012:5). This domination and expansion of the market in different aspects of social life have been gradually led to the formation of a society in which social values are considered to the logic of supply and demand in which people have seen it only in the process of shopping (Ibid:9). Therefore, the market is highly important in contemporary society, and most of the scholars have put premium on different aspects of the market to get a better understanding about modern society and its social order (Slater, 2001:8). The key thing to remember is that some economists believe that market is a kind of neutral phenomenon and it does not affect people’s desires or actions (Ibid: 10). It follows logically that, market and its distinctive logic do not direct people’s social actions into specific directions, which they are consistent with the logic of the market. In the light of some economists, the market has no or least impacts on people’s social action in modern life. However, this article aims to evaluate the rightness of this perspective about markets by analyzing consumption as a key factor that always perceived through the market. Consumption is the only way that lets people visualize their commitment to markets. It can also help us to approach beyond this mantle and get insights about people’s mind under the shadow of the market system.
Market and market society

Human society has consisted of various institutions and systems that each of them has its boundaries toward social actions of people in society. To be more specific, the demarcation between social institutions has always been clear in pre-modern societies. However, in the modern era, we see some institutions go beyond their considered boundaries. It means various institutions and systems in modern society merge to each other to cope with the complexity of social actions that people do in modern social life. Like other institutions in human society, the market has its demarcation in which some special sort of actions can be done through markets. The market as a social system has made some changes in its boundaries over the course time. Therefore, the trace of the market can be found in other social spheres (Slater, 2001:3). To put it another way, market redefines itself by expanding its boundaries in modern society by covering more grounds in society. As a result, the market can be defined as a collection of controlling rules over people’s voluntary exchanges and deals, which they are coordinated with each other based on price and money (Hayami, 2005:242). Therefore, the market became a regulator of people’s social activities based on supply and demand in which money determined values. The key point to remember is that, once markets formed, they impose sorts of values and norms that they let markets perform perfectly. Nevertheless, every society has markets, but not all of them have a market system because it is possible that other institutions or systems regulate people’s actions (Lindblom, 2001:4). In the light of the distinction between market as a place and market as a system, market system can be defined as a phenomenon with two important functions. First, it hinders losses and risks that people could impose on each other such as robbery, violence, crime and so forth. Second, the market as a social system coordinates and organizes people’s needs based on its norms and rules (Ibid: 20). Market norms and values can only perform perfectly under the logic of supply and demand that encourages people to see everything as commodities. Understanding specific features of the market as a social system is highly useful in evaluating its impacts on social structure because the market system exists due to its norms and values. Norms and values that make the market as a momentous system in modern social life. It is untenable to argue about the market system and modern society without delving into market characteristics as a system in society.

Properties and factors of the system market
The market has particular features like other social systems in society that form a special perspective in understanding objects in society. Market system’s perspective is distinguished from other systems due to its features and aspects. To be more specific, the market is not a place; rather it is a set of actions within special context, which is mainly social. This special context has three fundamental features:

1. Freedom, which means participants of in the market, has no limitations in pursuing their demands or desires.

2. Ownership, which is people have power and ability to control their time freely.

3. Money that plays a fungible role to circulate money and evaluate commodities to quantitative price, which is workable in the logic of supply and demand (Lindblom, 2001:90).

Therefore, in the light of these three factors, the market as a system specifies its dimension. The dimension that never been limited because it involves all kinds of commodities and services that can be exchanged. It means that markets define and connect people’s actions into the logic of supply and demand that people can buy or sell commodities (Ibid: 91).

Additionally, to enter and participate in market and cycle of supply/demand, which is one of the main function of the market as a system, commodities and services must have at least three characteristics:

1. Human conditional control, which means people have possibility and power to control what they bring to market.

2. Scarcity that means commodities and services must not be available for all people whenever they want. Moreover, people must never experience the situation in which commodities and services would be available to meet all of their needs and desires.

3. Voluntarily and unconditional providing which means participants can freely enter the market with their commodities or services without any restrictions. They can also bring commodities or services in a cycle of supply with least controls and regulations. It means that people can consume commodities or use services only when they buy them (Ibid: 94).

Therefore, people can consider every commodities or service that meet above conditions as marketable objects. On the other hand, by obliging people to provide commodities and services
with certain conditions, market coordinates wide range social activities. The logic behind market system encourages people to spend and consume lavishly because consumption can functionalize such a system. By interlocking needs and desires to market as a place to satisfy them, people internalize norms and values of market subliminally and take them for granted. Therefore, market evolves at the same pace of human society from basic to complex.

In the light of norms, values, and logic, which they create and develop market as a system in society, the function of this system in the modern social life and its boundaries can be evaluated. Indeed, the market is a system that dominates people’s economic activities and regulates them by its values and norms. To be more specific, the market cannot influence actions in which they are not defined in economic life due to quantitative nature of supply and demand. As a result, the market as the system can adjust itself in every society when quantitative objects and actions are needed for people to live in society. It means the market can enter into social spheres that would be somehow impossible to consider them as marketable spheres due to redefining objects and actions in the monetary and quantitative base.

**The entrance of market to different social spheres**

Transmutation in boundaries of markets and the market system can be noticed from the seventeenth century. From public markets to private markets. On the other hand, this transmutation is always an abstract issue because markets have been considered as a specific and noticeable place before the seventieth century. On the contrary, from the seventeenth century, markets gradually transformed into places that evaluate economic opportunities with a specific measurement. Money provides the possibility of evaluating objects and opportunities (Slater, 2001:20). As a result, this change provided a context to form a market society in the eighteenth century. The society that market and its system, dominate vast domain of people’s social actions. This development occurred simultaneously with the development of finding economic activities in the modern era. This transition to market society was revolutionary and tremendous because marketable contracts influenced social norms and values. Impersonal contracts challenged internalized social norms and values. Interestingly, impersonal and autonomous features of marketable contracts could not be workable in pre-modern societies. Solid social cohesion and materialistic understanding of social world did not let marketable contracts come into effect. Additionally, money is always playing a fundamental role in forming a market society. It is an exchanging and fungible factor of everything in which redefine objects in quantitative amounts.
This means people can achieve whatever they demand without following any special orders and social norms since money is exchanging factor (Ibid:28).

On the other hand, after World War II, market and marketable ideology got great credits. As a result, it captured the attention of politicians and social scientists. With the passage of time and according to development of social connections into more complex and vast form, the logic of buying and selling is gradually dominated by social actions of people. It means market covers not only commodities but also people’s entire social life (Sandel, 2012:5). Therefore, the most dangerous consequence of this domination would be an expansion of market boundaries as a social system to other social spheres (Ibid:6). To be more specific, people become more marketable actors in society in which they always seek profit from their social actions with others. This means social exchange goes in the direction of economic exchange, which is a kind of profit base relation. This situation provided new ways for entering into new social areas and spheres that always considered non-marketable. As a result, the question is what happens to non-market spheres when a change to marketable spheres.

**Impacts of the market on social spheres**

It is perfectly obvious that every social system has its norms and values. Norm and values that construct specific perspective toward objects in social life. It means, each system conveys and approves distinctive perspective toward social objects to make itself cohesive and integrated. As a result, the market as a social system has kind of specific perspective, which is basely materialistic and quantitative. Therefore, when market enters to different social spheres, it influences people’s perspectives in a materialistic way because money utilizes and visualizes people’s desires. To be more specific, proponents of market believe the market is always neutral and unbiased. It does not influence people’s actions and perspectives. Nevertheless, what is obvious is market has always conveyed materialistic and monetary perspective toward social phenomena (Sandel, 2012:8-10).

This materialistic perspective and understanding have been developed in two directions to facilitate market expansion to non-marketable spheres.

First, the commodification of actions and objects that traditionally were not transferable to quantitative and monetary units.
Second, change in meaning and understanding of humanitarian phenomena such as love, loyalty, and trust to objects in which people can make a monetary deal on them. (Slater, 2001:22)

Additionally, the entrance of market into non-marketable areas has culminated to ignorance and reluctance to social problems because the market is always unbiased and neutral about desires, wills, and interests. Therefore, people do not have any other sources of evaluation to evaluate objects in marketable society, which always puts a premium on values that assess money. As a result, this process prepares the ground for reluctance in people’s mind to their societies. The market as a system subtracts objects to a single index to evaluate them monetarily and quantitatively. Therefore, people will be ignorant to distinctions and demarcations of objects. It means people gradually become indifferent about controversial issues of their society (Sandel, 2012:13).

Also, money plays a pivotal role in the market system because it perceived as exchange and fungible factor between actions and objects. Moreover, money also perceived as a source of values in which people can accumulate values by accumulating money. This will form specific perspective in which monetary values determine the value of objects. To this end, people should always calculate monetary values of objects to evaluate them. As a result, since money can obtain anything, people will not have anything, which is nostalgic or symbolic to them due to monetary invaluableness (Slater, 2001:24-25). To put it another way, competitive individualism, which highlighted by economists and proponents of the market as one of the positive aspects of the market, weaken connections and social values. On the other hand, by changing and limiting moral restrictions, market encourages people to go beyond social norms and morals to meet their personal desires (Clark, 1998:16).

According to the points mentioned above, contrary to what economists and proponents of market believe, the market has influenced social norms and made them marketable. This happens while we are noticing many changes in human social life today. In the light of market as a system in social life, consumption is highly important because the process of consumption is one of the most momentous areas in which people can understand and feel the existence of market as something tangible. On the other hand, without being in the process of the market, people can hardly visualize and perceive consumption. Over the course of time, it can be expected that consumption is transmuted to something that satisfies a wide range of human needs in social life. This means by embedding to the process of market and internalizing its values and norms; the
market is going to change people’s perspective and understanding by its logic. Therefore, by analyzing consumption, we can achieve tentative analysis about expansion and entrance of markets in different social spheres.

**Consumption and consumer society**

Since consumption is somewhat socially constructed phenomenon, it can be analyzed through different aspects. Suffice it to say about its importance, Adam Smith considers consumption as the ultimate nirvana of production because it encourages consumers to consume (Slater, 2001:18). Among all definitions of consumption, in one perspective it can be perceived as an ocean of symbols that each of them associates to a particular analysis. Definition, in this case, is highly important because it paves the way of the understanding notion of consumption based on desires rather than needs. This means that people’s limitless desires lead to expanding consumption meet as much as needs (Bocock, 1993:3). On the other hand, by development and expansion of markets in social life, a mechanism that emphasizes on infinite human desires, people should see a tinge of markets in more spheres of their social life. Since consumption is done due to people’s desire, the expansion of markets can occur superbly because the market is a system that distributes commodities and opportunities. This process accentuates by emerging modernity and modern social life. To be more specific, productivity in pre-modern society has been replaced by consumption in modern society to determine people’s identity in society. Consequently, desire-based consumption shaped social identity in modern society (Baudrillard, 1998:25). Therefore, the consequence of individualism, which is one the integral principles of the market system, reinforces the relationship of people and objects by separating them from their social ties. The key point to remember that a trace of private ownership and freedom of choice always espouse by markets. Social identity and social are defined in different ways. Sometimes, society does, and sometimes people do it by themselves. However, in the twentieth century, the process of social identification is changed due to a consumption boom. It was kind of revolution that inspires people to buy and consume as much as they could. Interestingly, this revolution shook both the middle class and upper class. It finally caused the emergence of large-scale industries. Likewise, mass production endorsed by mass consumption in society. To be more specific, Fordism, which it provides an integrated mass production with high salary and low price, invented to cope with mass consumption that emerged in the second half of the nineteenth century. It culminated in increasing the variety of choices for people and consequently
changing the notion of consumption in social life (Bocock, 1993:20). Therefore, markets entered into people’s social life and defined their identities based on consumption. Diversity and variety of consumption happened after the 1950s in the twentieth century, because in this decade, people had more integrated consumption with limited choices. This means that markets had specific boundaries and they could not enter to other areas in order to impact people’s consumption. Nevertheless, expansion of markets to other spheres led consumption classifies people’s social status and social group (Ibid: 32). Increasing in purchasing power provides new possibilities to markets to cover a lot of grounds in social life through consumption (Slater, 2001:75). On the contrary, in pre-modern society, consumption was not considered people’s social identity due to the importance of occupational positions. However, in modern society, consumption took the place of occupation in the matter of social identification. Hence, instead of defining as a member of society according to the occupation, people defined themselves individually through their consumption (Ibid: 40). This aspect of consumption reminds impacts of markets on people’s social life in which separating them from their identified social contexts. This means by entering markets into different social spheres; people will be more fluid and flexible in their social life. This fluidity can be achieved by specific sorts of consumption because markets direct people to situations that they are completely unfamiliar with them. The only factor, which is quite familiar to them, is commodities that they can satisfy their needs with them. This makes more influences on social structure because it can only happen through the market mechanism. As a result, consumption became highly pivotal for people in modern society because people can easily change their identities by changing their consumption. (Ibid: 77). This change has been coordinated with the domination of market system by inviting people to individualism and freedom of choice. Therefore, consumption plays a pivotal role in identifying people in modern society since markets deal with people’s needs and desires.

Therefore, when objects provided in intertwined context, they will be inseparable. This combination gives special meaning to objects and determines their relationship with consumers. To be more specific, the supply side of commodities in markets hugely based on the meaningful relationship between other objects and contexts. Hence, this meaningful relation impacts the understanding of people in which they accept them as identifiable phenomena (Baudrillard, 1998:26). Additionally, Pierre Bourdieu puts a premium on this distinct factor in consumption. He does not consider consumption as a function of income to satisfy biological needs or achieve economic utility. In the light of Bourdieu’s perspective, consumption consists of values,
symbols, and ideas that cause distinction. A system of symbols and signs in which they are not perceived as pre-conceived phenomena, rather, they come from a system of signs in which customers pay attention and realize them in their interactions (Bocock, 1993:68). Hence, consumption transmutes to an active and conscious process to show identities. The market is a system that facilitates achieving this goal because this is entirely coordinated with characteristics of the market system. If markets did not extend, people would not enable to show their social group through consumption. In the light of mass production in society, some economists believe that consumption provides more grounds for selection for people to decrease inequality. Nevertheless, this never happens because this society never provides equal opportunity for people to access different commodities. It not only not diminishes inequality, but also deepen social gaps. The reason for this inequality comes from insatiable needs and permanent surplus of commodities in a consumption society. This situation can make an immense gulf between infinite needs and finite commodities. This gap will remain unbridgeable due to unequal access to commodities and markets in society (Baudrillard, 1998:58).

Despite what supporters of market assert, markets have made many changes in modern society due to the promotion of specific perspective towards objects and phenomena in social life. One of these changes is intensifying inequality and broadening the social gap between social groups. According to this reason, modern society needs people as consumers instead of social actors who they react to ongoing events in their society.

**Conclusion**

Markets as a social system like other systems in human society have experienced many changes and fluctuations over the course of time. These changes can be seen in various aspects of society. Precisely, by the emergence of the modern period, these changes went to special directions in which markets are entered into new social spheres. This could never be happened in the pre-modern period due to the dominance of pre-modern social hierarchy. However, modern society has its social structure and hierarchy that necessitate expansion of markets in new social spheres. Intertwined and complicated nature of modern society creates a new dimension of actions in which new social systems need to be created to cover them. Individualism, freedom of choice,
personalization are rooted in modern society. These fundamental features, redefine human social actions. This redefinition of human actions creates new horizons for social systems to applicate themselves to new situations. The market is in the same manner of other social systems, defines its norms and values to be compatible with modern society. This compatibility culminates in the expansion of markets into new social spheres.

Additionally, many factors are involved in understanding and analysis of market and its effect on modern social structure. To be more specific, consumption and consequently, consumption as a source of value emerged in modern society. Markets facilitated and created opportunities for people to perceive consumption as a source of social values. As a result, consumption is the key point to analyze effects of markets on social structure because consumption can visualize the image of markets in people’s action. Likewise, without consumption, people cannot feel the existence of markets in their social life. Therefore, by putting a premium on consumption, impacts of markets on social structure and social actions can be perceived. Since consumption became a source of social values, people pursue it in their social identity. It means, by consuming lavishly people shape their identity in society. Consumption is the same as other sources of social values has its meanings and signs in which people can assign them to their social identity. Markets create intrinsic meanings and signs of consumption. To be more precise, people involve and reproduce marketable values and meanings by consumption. Also, consumption indicates freedom of choice and feeling of ownership for people. Individuals can realize the feeling of ownership by purchasing different commodities in which each of them has a meaningful set of symbols and signs. At the same time, people are completely free in consuming. The only limitation is purchasing power and budget constraints, but credit cards are created to cope with this hindrance. Credit cards resolve the issue of budget constraints by giving people extra purchase power. As a result, people have a gigantic pool of choices in modern society through mass production. A wide range of markets has been created to utilize mass production and visualize freedom of choice. Therefore, markets have provided such a situation for people in modern society. This is highly important because consolidation and cohesiveness of markets essentially depend on satisfying these needs and providing choices for people to choose. According to the evolvement of markets within last two decades, it can be concluded that markets have increasingly entered into different social areas and spheres in which nobody could imagine. This transmutation makes objects marketable in society. By redefining objects in marketable order, people perceive and internalize them according to norms and values of
markets. Hence, over the course of time and through expansion of markets, integral marketable values such as individualism, competitiveness, self-benefits, alienation become dominant in human society and human actions. As a result and on the contrary of some economists and proponents of the market, the market is not a neutral phenomenon in human society; rather, it changes social understanding and internalizing social values. It means the market as a system imposes its norms and values in an active and biased way.

References:


