

From Flatlining to the *Breakaway Economy*:

What mechanisms influence individual contributions to the economy,  
and can the individual influence the economy as a whole?

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This thesis: *From Flatlining to the Breakaway Economy: What mechanisms influence individual contributions to the economy, and can individual contributions influence the economy as a whole?* is submitted in fulfillment of the requirements of the degree of Doctor of Philosophy at Lancaster University Management School.

August 2024

I declare that this thesis does not exceed 80,000 words, including footnotes and appendices, but excluding the bibliography. This thesis results from my own work and has not previously been offered for any other degree or diploma.

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## Abstract

This thesis explores the role and significance of the individual in the economy and produces an unexpected finding: individual decisions and interactions might have the power to alter the norms and even the very structure of the economy. Building upon previous ideas of the individual in the economy by Lindahl (1919), Hayek (1935) and Wagner (2020), this work takes the perspective of the *combined reflexive lens*, a theoretical framework which views the economy as a system shaped by the reflexive decisions and interactions of the individuals within it as they interact with the economic environment. This work asks the following two questions: a. What are the key mechanisms that drive how individuals decide to contribute to the economy? b. What is the impact of individual decisions in evolving the economy?

Critical realism underpins the methodology of this work, providing a lens through which we can understand the data as working within the multi-layered contexts of the real, the actual, and the empirical. The critical realist framework created by Vincent and Wapshott (2014) underpins the interview analysis of twenty-one students, university personnel, industry workers and members of local government from Korea, the UK, and the US.

Five key findings emerge from this research. The first finding from this study is the uncovering of perceived *downwards economic constraints* in Chapter Four and perceived *cultural economic constraints* in Chapter Five which shape and limit how individuals participate in the *spontaneously self-evolving economy*. This finding illustrates that individuals are perceived to face various barriers that constrain their economic participation before they begin working, while on the job, and throughout their careers.

The second finding is a new understanding of individual resistance behaviors, or upward counterforces employed by individuals to mediate the downwards constraints from Chapters Four and Five. Termed *economic nonconformity*, these behaviors show that not only do individuals react emotionally to the economy, they actively employ various strategies of resistance or rebellion, illustrating their creative and volitional powers to shape their economic realities.

The third finding is the suggested emergence of new features at the macroeconomic level perceived to be stemming from the actions of individuals. These are the *Breakaway Economy*, where individuals have foregone a traditional institutional job and created their own sources of income, and the *Gateway Economy*, where individuals have both a traditional job and a side hustle which they would like to turn into a full-time job in the *Breakaway Economy*. The primary drivers of these new emergent features are new technologies such as online platforms and social media.

The fourth finding is that these mechanisms are evidenced by perceptions crossing both national and generational boundaries. While differences among these groups remain, there is a convergence in perceptions and values which transcends the groups and becomes more obvious when we see the individual response to recent challenges such as COVID-19.

The fifth finding is the proposal of the model of the *Spontaneously Self-Evolving Economy*, a synthesis of the foundational theories of the *combined reflexive lens* with the analysis of the data from this work. It proposes a dynamic model of the economy based on a continuous interplay of individual reflexive decisions and interactions with the evolving economy to produce a system that is spontaneously evolving on the microeconomic and macroeconomic levels simultaneously and where individual decisions can create emergent effects in the larger structure that might not be anticipated.

These findings encourage us to ask the question of how we can define labor market participation and workers should these new perceived economic structures prove to be true with further analysis, as the terms employed, unemployed, and underemployed no longer seem to encompass the totality of workers in the economy. They also encourage us to ask whether and how traditional institutions and policies will change to entice workers to take traditional jobs, and how the potential *Gateway* and *Breakaway Economies* might affect the economy in the future. In addition, these findings call for the development of new economic indicators which would more accurately describe the results of individual contributions and their impact on economic reality, therefore bringing us closer to a convergence between economic theory and reality. Last, these findings illustrate that we should be focusing on individuals within the economy not merely as passive participants but as active creators of economic reality.

# Table of Contents

Abstract.....	1-3
Acknowledgements.....	1-10
Index of Tables.....	1-11
Index of Figures.....	1-12
1 Introduction.....	1-13
1.1 The context in Korea, the UK, and the US.....	1-15
1.2 Thesis Overview.....	1-20
2 Literature Review.....	2-29
2.1 The two discourses of economics regarding the individual.....	2-34
2.1.1 Economics and the power of the individual.....	2-35
2.1.2 Critiquing mathematical formalism.....	2-39
2.1.3 An alternative perspective.....	2-49
2.1.4 The combined reflexive lens.....	2-59
2.1.5 The theoretical gap.....	2-61
2.1.6 Research Questions.....	2-62
2.2 Conclusion.....	2-63
3 Methodology and Methods.....	3-65
3.1 The philosophical underpinnings of mainstream economics.....	3-65
3.2 Arguments against empirical realism and three-fold individualism.....	3-67

3.3	A new approach: Critical Realism .....	3-71
3.4	Interview overview and design rationale.....	3-77
3.5	Ethics .....	3-81
3.6	Classifying causal mechanisms – Norms and Configurations .....	3-81
3.6.1	Norms.....	3-81
3.6.2	Configurations.....	3-85
3.6.3	Altering the Vincent and Wapshott framework.....	3-87
3.7	Conclusion.....	3-88
4	Downwards configurational results, or <i>downwards economic constraints</i> .....	4-90
4.1	Pre-employment <i>downwards economic constraints</i> .....	4-92
4.1.1	Getting a degree .....	4-92
4.1.2	Difficulties in job acquisition .....	4-98
4.2	On-the-job <i>downwards economic constraints</i> .....	4-111
4.2.2	High Stakes – When the helping hand becomes a slap .....	4-113
4.2.3	Poor management practices .....	4-117
4.2.4	Inflexible work structures .....	4-120
4.3	Long-term, career-affecting constraints .....	4-122
4.3.1	Lack of mentorship.....	4-122
4.3.2	Limited lifestyle - Lack of appropriate reward for effort .....	4-128
4.4	Covid-19 and the changing work environment .....	4-134

4.5	Conclusion.....	4-145
5	Downwards Normative Results, or <i>Cultural Economic Constraints</i> .....	5-150
5.1	Conforming to job context constraints.....	5-151
5.1.1	Starting at the bottom.....	5-151
5.1.2	Working under supervision.....	5-153
5.1.3	Adjusting to the varying nature of work.....	5-154
5.1.4	Learning to perform with structured time.....	5-156
5.2	Conforming to cultural context constraints.....	5-159
5.2.1	'Fitting in'.....	5-159
5.2.2	'Living the job' and 'Going the extra mile'.....	5-163
5.2.3	Dealing with age.....	5-167
5.3	Work is perceived as meaningless.....	5-168
5.4	Covid-19 and <i>cultural economic constraints</i> .....	5-169
5.5	Conclusion.....	5-169
6	Upwards Normative Mechanisms or Cultural Resistance Counterforces.....	6-173
6.1	Challenging job context constraints.....	6-175
6.1.1	Resisting bottom-up progression.....	6-175
6.1.2	Resisting skills expansion.....	6-179
6.2	Challenging cultural context constraints.....	6-181
6.2.1	Resisting 'living the job'.....	6-181

	Interviewees perceive that individuals today do not want to ‘live the .....	6-181
6.3	Change in values due to Covid-19.....	6-182
6.3.1	Reassessing: it’s okay not to work .....	6-183
6.3.2	Reassessing: It might be okay not to get a degree .....	6-187
6.3.3	Demanding flexibility .....	6-190
6.4	Conclusion.....	6-192
7	The perfect storm – a <i>Gateway</i> and a <i>Breakaway Economy</i> .....	7-195
7.1	<i>Configurational resistance counterforces</i> .....	7-196
7.1.1	‘Lying flat’ .....	7-196
7.1.2	‘Thinking empty’ .....	7-202
7.2	Evolution of the Traditional Economy .....	7-206
7.3	The <i>Breakaway Economy</i> .....	7-209
7.3.1	Tech platforms .....	7-211
7.3.2	Social media .....	7-223
7.4	The <i>Gateway Economy</i> .....	7-236
7.5	The model of the <i>Spontaneously Self-Evolving Economy</i> .....	7-238
7.5.1	Addressing mainstream economic theory .....	7-240
7.6	Conclusion.....	7-242
8	Conclusion and Discussion .....	8-245
8.1	Methodology and Method.....	8-245



8.2	Contributions to the literature and answering the research questions .....	8-246
8.2.1	First research question and first two significant findings .....	8-246
8.2.2	Summary of contributions to the literature .....	8-256
8.3	Opportunities for further work and building links between fields .....	8-258
8.4	Conclusion.....	8-260
	Bibliography .....	8-262
	Appendix A – Consent Form .....	8-279
	Appendix B. Interview schedule .....	8-280
	Appendix C. Illustrative Sample of the Coding Process .....	8-281

## Acknowledgements

Special thanks to Dr. Ant Hesketh for believing in the *spontaneously self-evolving economy* enough to see where it would lead. This final product is credited to the hours of support, advice, and insight you have dedicated to helping me hone my ideas and think about them in a wider context as I changed directions and made discoveries in the course of this research. I hope this thesis does justice to the effort you have made to this work.

Thanks to Dr. John Burgyone for taking a chance on me and my project and for your support during the early years of this project. It's taken many twists and turns, but hopefully you will still find it just as interesting!

Thanks to Dr. Eleni Lamprou for your invaluable support and assistance as I was starting on this journey.

Thanks to everyone who allowed me to chase them down for an interview. I hope this work gives your words context and meaning and allows them to speak to a wider audience in the manner you had intended.

Thanks to my parents and my brother for moral support during this lengthy and arduous process, and the hundreds of times each of you have casually asked, "So, when is your doctorate going to be finished?" But in all seriousness, it was dad's enthusiasm that encouraged me on, mom's work ethic that wouldn't let me quit, and Nick's marathon running which made me determined to get across the finish line.

Last, but certainly not least, Lord Chris – from globalization to higher education to the economy, our discussions over the years have provided me with insight and support in ways that go beyond mere husbandly duty. Your unwavering support and belief in me have made me work twice as long, think twice as hard, and go beyond what I thought was possible in many areas of my life, of which this is only one of them. I hope this thesis makes you proud. And after 20 years, I can still say that there is nowhere else I'd rather be than in a coffee shop discussing the woes of the world with you.

## Index of Tables

Table 1.2-1. Illustration of mechanisms adopted from the Vincent and Wapshott (2014) study.....	1-22
Table 1.2-2. Final table of mechanisms from Chapters Four through Seven. ....	1-26
Table 2.1-1. Evolution of thinking regarding the individual and the economy. ....	2-61
Table 3.4-1. Overview of interviewees and interview schedule.....	3-79
Table 3.6-1. Illustration of mechanisms adopted from the Vincent and Wapshott (2014) study.....	3-88
Table 3.7-1. Illustration of mechanisms adopted from the Vincent and Wapshott (2014) study.....	4-91
Table 4.5-1. Data on configurational mechanisms from both rounds of interviews.....	4-148
Table 5.5-1. Data on downwards configurational and normative mechanisms from both rounds of interviews.....	5-171
Table 6.4-1. Data on normative and configurational mechanisms from both rounds of interviews. ...	6-193
Table 7.3-1. Social media use and penetration in the UK, Korea, and the US.....	7-223
Table 7.3-2. Tech billionaires by net worth as of March, 2021. ....	7-228
Table 7.6-1. Data on normative and configurational mechanisms from both rounds of interviews. ...	7-244
Table 8.2-1. Final normative and configurational mechanisms from both rounds of interviews. ....	8-252

## Index of Figures

Figure 1.1-1. Percentage of individuals in each country who have completed tertiary education.....	1-16
Figure 1.1-2. Productivity in Korea, the UK, and the US since 1970.....	1-17
Figure 1.1-3. Rising share of the pre-tax national income of the top 10% in all three countries.....	1-18
Figure 3.3-1. Layered ontology of critical realism.....	3-76
Figure 3.4-1. ....	3-80
Figure 3.6-1. Example of a feedback loop between individual behaviors and institutional and social structures. ....	3-82
Figure 3.6-2. Generic layout of an institutional hierarchy. ....	3-86
Figure Figure 3.6-3. The feedback loop between collective individual behavior patterns and institutional and social structures. ....	3-87
Figure 4.1-1. Lifetime earnings by educational attainment (Georgetown, 2019). ....	4-93
Figure 4.2-1. Illustration of corporate hierarchy illustrating fewer positions as one goes up the ladder...4-	

# 1 Introduction

“The ideas of economists and political philosophers, both when they are right and when they are wrong are more powerful than is commonly understood. Indeed, the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually slaves of some defunct economist.”

John Maynard Keynes

This thesis sets out on a journey of discovery to ascertain the role and significance of the individual in the economy. Is the individual merely a rational, utility-maximizing agent with perfect information whose actions contribute little to the economy as a whole? Or is the individual a creative, volitional force that is often overlooked by mainstream economic models that prioritize mathematical formalism?

The economy is perhaps the only institution that all humans worldwide participate in to one extent or another. It is almost impossible to exist without interacting with the economy unless one truly lives alone on a desert island. Economies might be the oldest known institutions which spontaneously emerge and evolve with the humans within them. Producing in the economy can provide meaning and money, consuming can help express identity, values and worth. The transactions we make within it are often deeply personal – the jobs we choose, the purchases we make, and the amount of free time and freedom of movement we have all come from the interactions we have with the economy.

This is the great paradox: economies are vast financial systems, but they are fundamentally driven by individual desires and decisions. This is why, although almost everyone in the world participates in the economy, the ‘economy’ itself is notoriously hard to define. The Merriam-Webster Dictionary defines the economy as, “The structure or conditions of economic life in a country, area, or period.” The American Heritage Dictionary states that it is, “The system or range of economic activity in a country, region, or community.” And finally, Investopedia gives the definition of the economy as the following:

An economy is the large set of inter-related production, consumption, and exchange activities that aid in determining how scarce resources are allocated. The production, consumption, and distribution of goods and services are used to fulfill the needs of those living and operating within the economy, which is also referred to as an economic system.

These definitions cover the vast array of economic activities taking place in society, giving rise to many branches of economics trying to study the economy through different lenses. Aside from the obvious distinctions between micro- and macroeconomics, these different lenses have led to the development of numerous branches of economics such as environmental, behavioral, econometrics, labor, Keynesian, Marxist, Austrian, Mercantilism, and Monetarist, Chicago, Institutional, and Modern monetary theory. Each of these branches has made discoveries about different aspects of the economy from its own unique perspective.

A key debate within the field centers around determining the *most fundamental* aspect of the economy, that which influences its growth and evolution more than any other. Institutional economists argue it's the formal and informal social institutions. Developmental economists argue it is the structure of the economy. Others argue that it is money, since it is the storer of value and facilitates the exchange of goods and services, leading to the modern economy being called the money economy (Ponnusamy, 2022).

In this thesis, *economy* refers to the individual lived experience of the economic environment of those within it, highlighting the highly personal, reflexive and dynamic nature of the individual's relationship with economic reality. For most individuals, the labor market, work environment, earnings and spending are the primary way they experience and understand the economy.

There are two strands of thought regarding the individual in the economy. Mainstream economic theory adheres to mathematical formalism, relying heavily on aggregate statistics, AI and big data to model the

economy. This perspective also adheres to three-fold methodological individualism, which views economic data as the aggregate result of individual actions, assuming that individuals are rational agents, perfectly informed, making utility-maximizing decisions based on their preferences leading to the allocation of scarce resources through price action, which is the most fundamental aspect of the economy. This aggregate approach might lead us to believe that individuals don't have very much power at all since they only represent one individual in a vast system.

However, a second perspective of the individual is used in this thesis. This paper argues that there is something which exists behind each of the economic theories above which is often overlooked: the creative, volitional individuals making reflexive decisions while interacting with the economic environment. This alternative perspective challenges the mainstream economic view by suggesting that individuals are creative forces with the power to shape their own economic reality, and that individual decisions and interactions might even have the power to impact the economy as a whole.

Unlike the mainstream economic theory which views economic interactions as agential aggregate phenomena, the *combined reflexive lens* recognizes the impact of individual agency exerted through individual decisions and interactions and its potential effect on the macroeconomic landscape. This work draws on and builds upon the work of Erik Lindahl (1919) which was subsequently built upon by Hayek (1935), Wagner (2020), and now this study to create the *combined reflexive lens*. The *combined reflexive lens* is based on the idea that the economy is created through individual decisions at the micro level, and through individual interactions at the macro level, and those interactions at the macro level can create emergent features in the macroeconomy which might not be planned or anticipated.

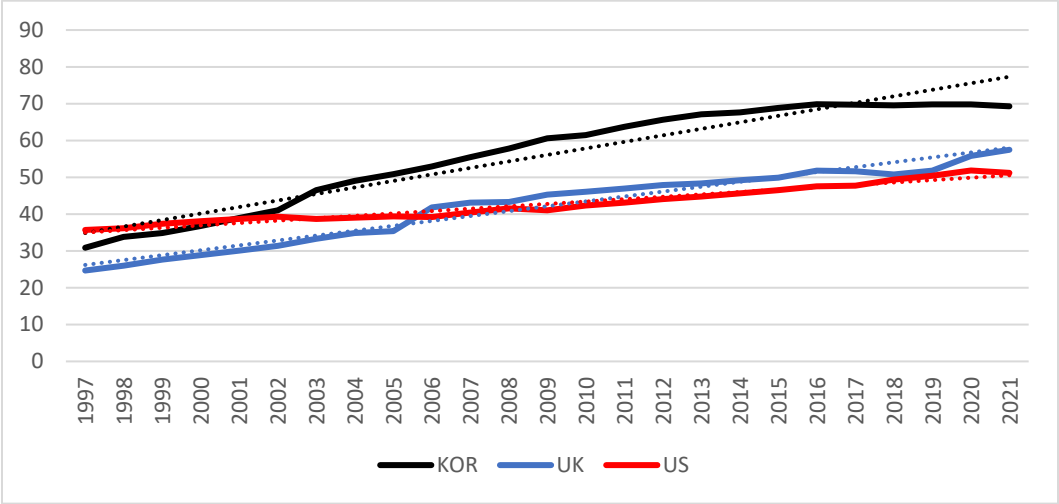
## 1.1 The context in Korea, the UK, and the US

The current study delves deeper into this theory, focusing on Korea, the UK, and the US. These three countries were selected due to their geographical diversity and cultural differences, providing a broad

foundation for the exploration of how varying economic policies and cultural context might influence individual economic actions and the wider economic landscape. Of course, Korea is in Asia, the UK is in Europe, and the US is in North America, providing three different continents with a vast difference between them. There are also language differences; English is the first language in the UK and the US, while Korean is the first language in Korea. Korea also has a culture highly based upon Confucian values, not present in the other two countries. Yet the three countries also share commonalities – they are all industrialized nations, part of the OECD, and have high percentages of internet access and social media usage.

The preliminary data gathered from these countries presents a complex picture with several contradictions, such as rising higher education attendance coupled with falling productivity and increasing inequality, which challenge the predictions of mainstream economic thought. These are shown in the figures below:

Figure 1.1-1. Percentage of individuals in each country who have completed tertiary education.

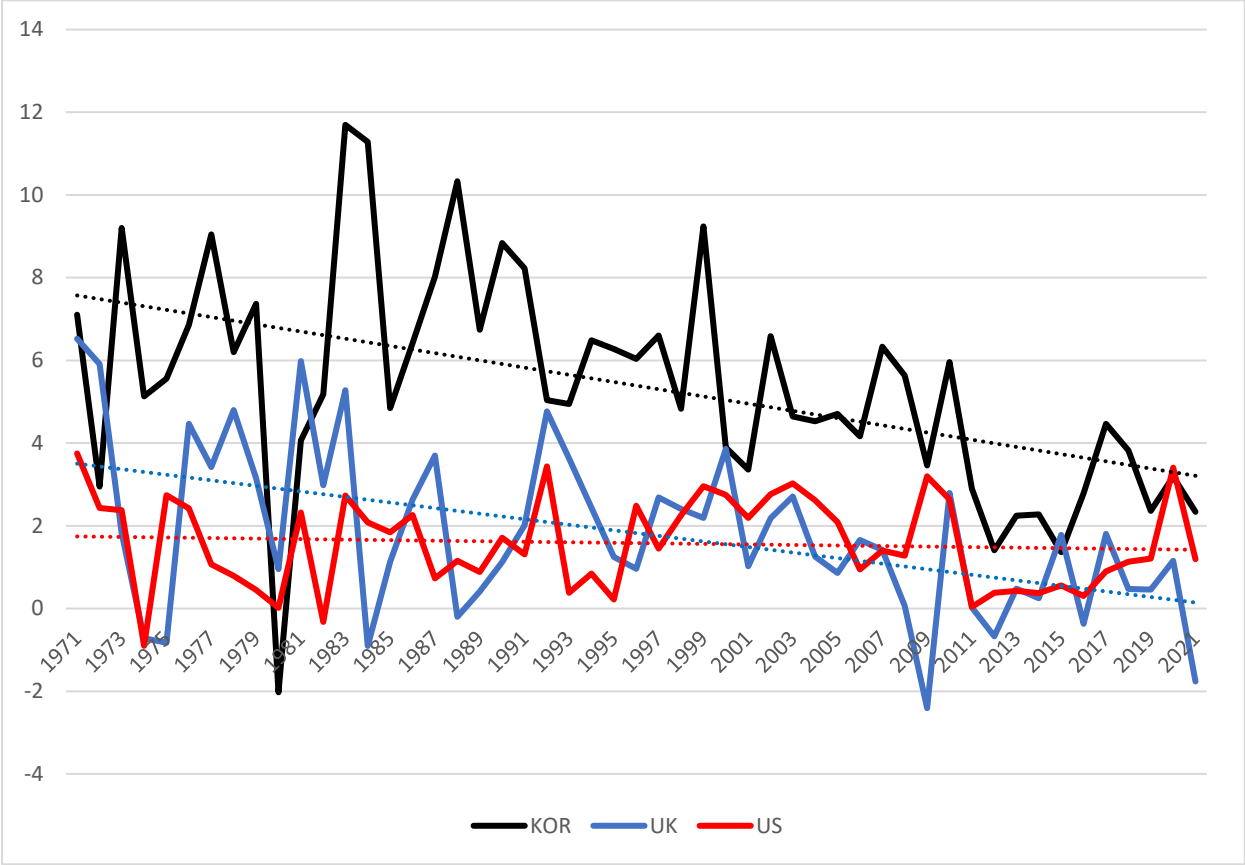


World Bank, World Development Indicators (2021). Labor force participation rate, 15+, total (%) (national estimate) - United Kingdom,



Above, we can see increasing rates of completion of tertiary education in all three countries. Yet, as Figure 1-2 shows, at the same time there was falling productivity. This paradox of rising educational attainment with falling productivity illustrates a disconnect between individual capabilities and systemic economic outcomes, suggesting a potential misalignment within mainstream economic models. According to mainstream economic theory, productivity should increase due to an increase in the diffusion of knowledge and the increase in research and innovation that higher education institutions provide (Picketty, 2014). Mainstream theory appeared to be correct until the 1970s, when productivity began to stagnate or decline inexplicably in many countries worldwide. The three case countries are good examples of this, as shown in the chart below.

Figure 1.1-2. Productivity in Korea, the UK, and the US since 1970.



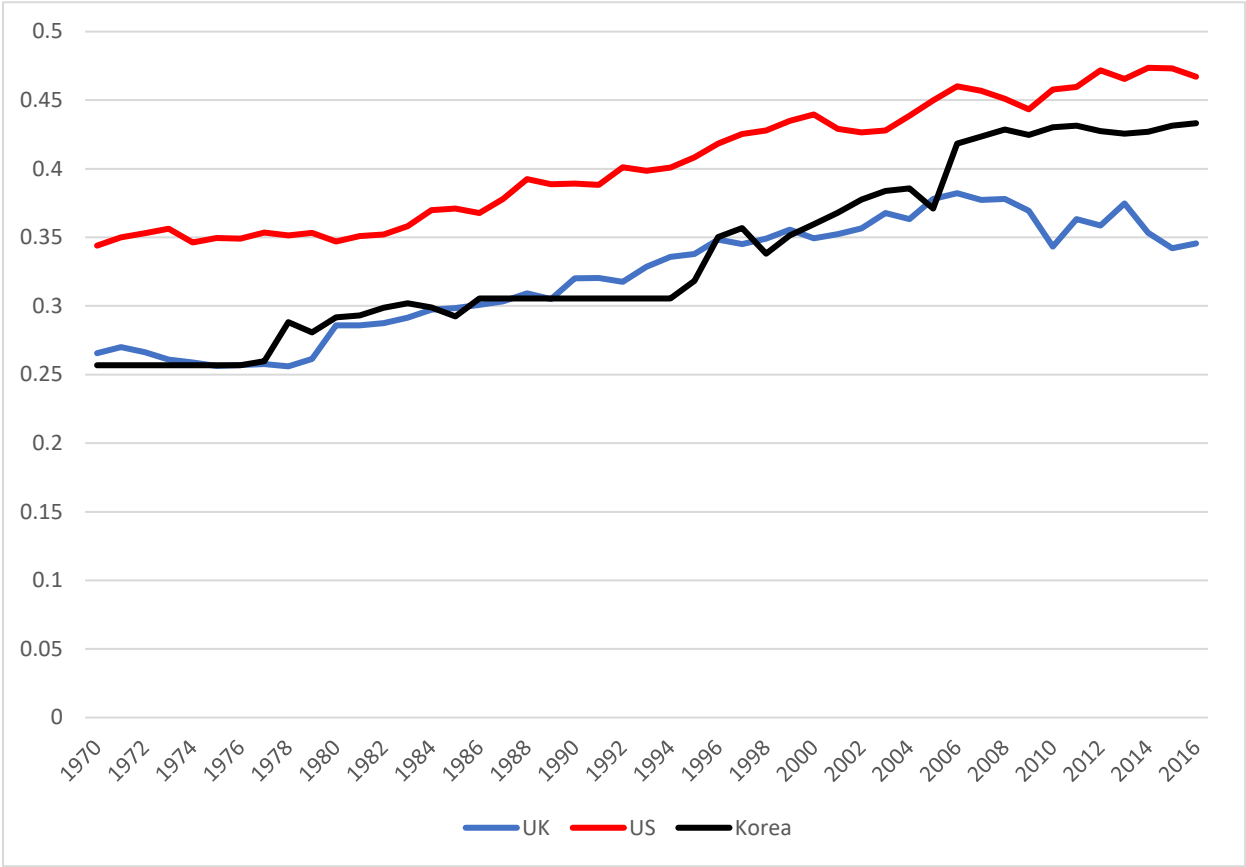
\*OECD (2022b).

Alongside falling productivity, inequality has been rising since the 1970s. The combination of falling productivity and rising inequality are trends which challenge the thesis set forth by Picketty (2014) on knowledge diffusion as the primary mechanisms for economic convergence, where he says,

To sum up, historical experience suggests that the principal mechanism for convergence at the international as well as the domestic level is the diffusion of knowledge. In other words, the poor catch up with the rich to the extent that they achieve the same level of technological know-how, skill, and education... (p. 91).

This suggests that there may be other factors influencing these economic dynamics.

Figure 1.1-3. Rising share of the pre-tax national income of the top 10% in all three countries.



\*Our World in Data (2022a).

In addition, graduates I met were telling me about high graduate unemployment and difficulties getting jobs, yet the numbers going to universities were still rising. Then when people did get jobs, they were unhappy with their jobs for various reasons and wanted to quit. Their personal experiences seemed to illustrate the idea that despite their formal education, they still faced barriers to economic advancement and downwards economic pressures. Many felt that there was too much pressure on them, and that their jobs weren't going to give them the opportunity to move up or the ability to buy a house or even earn a middle-class lifestyle. These insights made me question the efficacy of current economic models to truly reflect economic reality and give us the knowledge and understanding to respond to individual needs and aspirations of those within the economy.

These observations and anecdotes made me desire to examine the role of the individual in the economy today. Are individuals really victims of the system, or do they have the ability to create their own destiny as volitional, creative beings? Or are individual economic circumstances the combination of both structure and agency? What impact do the higher education system, government, and economy have on individuals as they try to decide how to best make an economic contribution to the world? And if enough people do begin to chart their own destiny, how would this impact the economic system as a whole?

Then in 2020, the emergence of the COVID-19 pandemic appeared and spread across the globe, introducing a new variable into this already complex equation. With 114 million workers globally losing their jobs and those employed experiencing dramatic shifts in work environments, it has forced many individuals in the economy to rethink their jobs and their values.

I realized that now more than ever was the time to find out whether individuals really do matter, and if they can make a larger change in the world. In this thesis, data from two sets of interviews in the fall of 2021 and spring of 2022 are analyzed. Interviews were conducted virtually with individuals in South Korea,

the UK, and the US. Individuals span four generations, and their views provide a rich cross-section of perspectives.

This investigation seeks to uncover whether individuals can forge their own destinies as creative, volitional beings within the economic system, and the potential impact of such a shift on the economy as a whole. Through this investigation, I hope to uncover the real power of the individual in the economy and perhaps open the door for a fresh perspective on the individual in economic theory and practice.

## 1.2 Thesis Overview

This overview presents the subsequent chapters of this thesis, each with a unique objective that builds upon the exploration of the topic and the argument presented above. Following the introduction, Chapter Two presents two threads of economic literature regarding the individual's role in the economy: that of mainstream economics, and that of the *combined reflexive lens*. The lens of mainstream economics largely relies on mathematical formalism which has four main criticisms – that of aggregation, price action, assumptions about the market, and assumptions about the individual. It is the last assumptions, those about the individual, that are the most important for this thesis. Assumptions about the individual assume that individuals are rational with stable, unchanging preferences, or if preferences do change, they are instantaneous and without cause; that individuals always want to maximize their utility through work; and that human interactions have no generative or emergent power. This viewpoint leads to the perception that individuals are small entities within a vast system, having little possible influence or effect on the economy.

In contrast, the second thread introduces the concept of the *combined reflexive lens*, an alternative model whose foundation was first put forth by Erik Lindahl in 1919. Lindahl's theory purports that individuals are the driver of the microeconomy through their decisions and the macroeconomy through their interactions with each other and the economic environment. The theory further evolved through the contribution of

Hayek, who built upon this theory in the 1930s by illustrating how systemic properties can emerge dynamically through the combination of social interactions. And finally, Wagner added the last bit in 2020 by arguing that systemic properties are more than the sum of their parts and can become emergent features at the macroeconomic or systemic level, either positive or negative, and which no one might have planned or anticipated in advance.

Chapter Two concludes by introducing the two research questions, investigated through the lens of the *spontaneous, self-evolving economy*, utilizing the methodology of critical realism and a critical realist framework developed by Vincent and Wapshott (2014) to answer the following two research questions:

- a. What are the key mechanisms that drive how individuals decide to contribute to the economy?
- b. What is the impact of individual decisions in evolving the economy?

This thesis attempts to fill one gap in the literature by utilizing the *combined reflexive lens* which combines the work of Lindahl, Hayek, and Wagner. By adopting this approach, this paper aims to shed light on the continuously evolving nature of the economy and the role of the individual within it, challenging the static, mathematical view of mainstream economic theory. It aims to fill a second gap in the literature by heeding the call of those asking for an alternate philosophical perspective to the empirical realism and three-fold individualism used by mainstream economics. This study will utilize the perspective of critical realism, which is discussed in Chapter Three.

Chapter Three discusses the argument for a new methodology in economics, which has been called for by many authors. This chapter discusses the philosophical underpinnings of empirical realism and three-fold individualism utilized by mainstream economic theory, drawing on the work of many authors who critique its weaknesses such as lack explanatory power and oversimplification of complex phenomena. The chapter then delves into arguments for a new methodology by authors such as Neilsen and Morgan

(2005), and Garnett (1999). Then the chapter highlights authors who specifically suggest critical realism as an alternative philosophical underpinning, such as Fleetwood (1996, 1999, 2002, 2013), Fleetwood and Hesketh (2010), Brown and Hesketh (2004), and Tony Lawson (1997, 2003, 2009). The chapter then gives an explanation of how critical realism can contribute to this study through its enhanced metaphysics and stratified ontology, providing the foundation to create an analytical framework which aids in identifying and understanding the mechanisms in the economy studied in this thesis.

Chapter Three also explains the method for this study which includes analysis of the interview data using a framework developed by Vincent and Wapshott (2014). The framework divides mechanisms into four categories, upward and downward, normative and configurational, providing a framework to understand how individuals influence and are influenced by economic structures in the economy. These are shown in Table 1.2-1 below.

Table 1.2-1. Illustration of mechanisms adopted from the Vincent and Wapshott (2014) study.

	Configurational	Normative – Norms
Downwards	<i>Downwards Configurational</i>	<i>Downwards Normative</i>
Upwards	<i>Upwards Configurational</i>	<i>Upwards Normative</i>

In Chapters Four through Seven, the results are presented. Each chapter corresponds to a specific type of mechanism: downwards configurational, downwards normative, upwards normative, and upwards configurational, respectively.

Chapter Four discusses the results pertaining to downwards configurational mechanisms, or *downwards economic constraints*, which individuals perceive as barriers both before and while trying to make an economic contribution, such as getting a degree, dealing with competition, and dealing with organizational hierarchy. These *downwards economic constraints* are barriers which can potentially

hinder individual economic contributions, and consist of pre-employment constraints, on-the-job constraints, career-impacting constraints, and constraints due to Covid-19. Interviewees state that these constraints impede their contributions to the economy by inhibiting their abilities to get jobs and perform them properly, as well as their ability to progress in their careers through lack of mentorship and lack of economic resources to afford a decent lifestyle. Through this analysis, Chapter Four illustrates a picture of the various downwards economic pressures that individuals experience in the economy.

Chapter Five addresses the downwards normative mechanism results, which might be characterized as perceived *cultural economic constraints*. *Cultural economic constraints* consist of work context constraints and sociocultural constraints, putting pressure on individuals to conform through their interactions with other individuals in the workplace and their broader economic interactions. The *combined reflexive lens* offers a perspective from which to view the emotional and creative aspects of individuals as they experience their economic reality and react to the pressures within it. Job constraints such as starting at the bottom, working under supervision, and performing during structured work hours, as well as cultural constraints such as ‘fitting in’, ‘living the job’, and ‘going the extra mile’ are discussed as constraints which put pressure on individuals to conform to the context or culture of the workplace. A third area of investigation is how the value and meaning that individuals have given to work has changed since the Covid-19 pandemic began. Through this analysis, Chapter Five illustrates some of the often-overlooked impacts of these constraints on individuals as they make reflexive decisions in response to their economic environments.

Chapter Six presents the perceived upwards normative mechanisms, or *cultural resistance counterforces*, as reported by interviewees. These counterforces counteract the perceived downwards constraints from Chapters Four and Five and are sometimes seen as demands they make from the workplace, such as demanding equal treatment as more senior personnel, better pay, or flexibility in work schedules or location. These counterforces are also perceived as shifts in values outside of the workplace such as the

idea that it might be okay not to have a job, or it's okay to demand to work from home. Chapter Six findings are extremely important because they illustrate important changes in the perceptions regarding how individuals feel about work or the effort they are willing to put into a job, again things which are not explored by mainstream economic theory. If verified through further study, these upward counterforces could have the potential to create widespread changes in how workers feel about the economy and work, affecting the larger economy in various ways – affecting economic participation in everything from university attendance to job performance to career performance.

Chapter Seven reveals the results for upwards configurational mechanisms, or *upwards configurational counterforces*, as perceived by the interviewees. Analysis through the utilization of the *combined reflexive lens* and the philosophical perspective of critical realism reveals a set of surprising and unique findings, where individuals can be found considering and exploring alternatives to traditional economic configurations such as university and the traditional workplace. The first of these alternative economic configurations is called the *Breakaway Economy*, where individuals can work for themselves without having to conform to many of the downwards constraints forced on them in the traditional economy and create a new economic pathway which aligns with the *upward resistance counterforces* from Chapter Six. On their way to the *Breakaway Economy*, many individuals join a perceived second emerging economic configuration called the *Gateway Economy*, working two jobs at once to see if they can make their second job their *Breakaway* job.

Chapter Seven also introduces the proposed model of the *Spontaneously Self-Evolving Economy*, which synthesizes the theoretical perspective of the *combined reflexive lens* with the data analysis from the perceptions in Chapters Four through Seven. It proposes a model of the economy that is dynamic and based on a continuous interplay of individual reflexive decisions and interactions with the evolving economy to produce a system that is spontaneously evolving on the microeconomic and macroeconomic levels simultaneously and where individual decisions can create emergent effects in the larger structure



that might not be anticipated. The model highlights the power of individual agency and the need for further research to validate these perceptions and phenomena.

The final table of all mechanisms discussed in Chapters Four through Seven is shown in Table 1.2-2:

Table 1.2-2. Final table of mechanisms from Chapters Four through Seven.

	<b>Configurational mechanisms</b>	<b>Normative mechanisms</b>
<b>Downwards</b>	<p><i>Downwards Configurational mechanisms, or downwards economic constraints</i></p> <ul style="list-style-type: none"> <li>• Pre-employment constraints:               <ul style="list-style-type: none"> <li>• University degree</li> <li>• Job acquisition difficulties</li> </ul> </li> <li>• On-the-job constraints:               <ul style="list-style-type: none"> <li>• High stakes</li> <li>• Poor management practices</li> <li>• Inflexible work structures</li> </ul> </li> <li>• Career-impacting constraints               <ul style="list-style-type: none"> <li>• Lack of mentorship</li> <li>• Limited lifestyle</li> </ul> </li> <li>• Covid-19               <ul style="list-style-type: none"> <li>• Lack of socialization</li> <li>• Formalized communication</li> <li>• Increased flexibility</li> <li>• Higher taxes</li> </ul> </li> </ul>	<p><i>Downwards Normative mechanisms, or cultural economic constraints</i></p> <ul style="list-style-type: none"> <li>• Conforming to job demands:               <ul style="list-style-type: none"> <li>• Starting at the bottom</li> <li>• Working under supervision</li> <li>• Adjusting to varying work</li> <li>• Structured time</li> </ul> </li> <li>• Conforming to the social context:               <ul style="list-style-type: none"> <li>• ‘Fitting in’</li> <li>• ‘Living the job’</li> <li>• Dealing with age</li> </ul> </li> <li>• Work is meaningless</li> <li>• Covid-19</li> </ul>
<b>Upwards</b>	<p><i>Upwards Configurational mechanisms, or the configurational resistance counterforces</i></p> <ul style="list-style-type: none"> <li>• ‘Lying flat’</li> <li>• ‘Thinking empty’</li> <li>• The Evolving traditional economy</li> <li>• The spontaneously evolving <i>Breakaway Economy</i></li> <li>• The spontaneously evolving <i>Gateway Economy</i></li> </ul> <p>Drivers of the Gateway and Breakaway Economies: Tech platforms and social media</p>	<p><i>Upwards Normative mechanisms, or cultural resistance counterforces</i></p> <ul style="list-style-type: none"> <li>• Challenging job context constraints:               <ul style="list-style-type: none"> <li>• Demanding equal treatment</li> <li>• Not ‘filling the gap’</li> </ul> </li> <li>• Counter cultural context constraints               <ul style="list-style-type: none"> <li>• Not ‘living the job’</li> </ul> </li> <li>• Covid-19 mechanisms               <ul style="list-style-type: none"> <li>• It’s okay not to work</li> <li>• It’s okay not to have a degree</li> <li>• Demanding flexibility</li> </ul> </li> </ul>

Chapter Eight, the Discussion and Conclusion, delves into the essential findings of this investigation, highlighting their implications and placing them within the broader economic discourse from a critical realist perspective. There are five main findings discussed which provide answers for the research questions and suggest potential trends in economic behavior which could be further researched.

Research Question 1: *What are the key mechanisms that drive how individuals decide to contribute to the economy?* This question is addressed by the first two findings:

- 1) The identification of perceived *downwards economic constraints* in Chapters Four and Five
- 2) The identification of perceived *upwards resistance counterforces* in Chapters Six and Seven.

Research Question 2: *What is the impact of individual decisions in evolving the economy?* This question is addressed by the third finding:

- 3) The identification of the perceived *Gateway and Breakaway Economies* in Chapter Seven.

Additional findings include:

- 4) The cross-national, cross-generational nature of these perceptions, which is briefly discussed as a point of interest for future research.
- 5) The proposed model of the *Spontaneously Self-Evolving Economy*, formulated from the synthesis of the combined reflexive lens and the observed data as discussed in Chapter Seven.

These contributions provide insight into the perceptions of individuals as they deal with their economic realities. It provides a potentially new understanding of individual rebellion behaviors within economic frameworks, and how individuals might employ upward normative and configurational counterforces to mediate the pressures imposed by the downwards economic constraints.

This research also highlights the impact of individual decisions on the upward counterforces, spontaneous evolution, and emergent features of the economy, as suggested in Chapters Six and Seven. Interviewee perceptions suggest that there may be a paradigm shift occurring where more individuals from all ages and locations are perceived to be diverging from traditional economic routes, bypassing degrees, resisting conformity, exploring nontraditional work alternatives, or even forgoing a job altogether. From the individual perspective, it could be termed perhaps an individual economic evolution, where an individual's economic behaviors and decisions are capable of changing and adapting to various conditions. From the institutional perspective, this bottom-up disruptive economic realignment could have considerable repercussions for the traditional workforce, traditional education system, and traditional economic infrastructure if they become more widespread.

Together, these findings answer the research questions, first by providing key perceived mechanisms that drive how individuals decide to contribute to the spontaneously self-evolving economy, and second by illustrating the potential consequences of micro-level decisions and perspectives on the macroeconomy. I believe these findings continue the spirit of the work begun by Lindahl and subsequently expanded upon by Hayek and Wagner, and also illustrate the power of the critical realist analytical perspective which highlights that there are often deeper mechanisms driving economic phenomena at higher levels.

This chapter has presented an overview of the thesis, the context of the study, the key questions, and the chapter structure as well as the key points in each chapter. It also briefly presented the most impactful findings and the importance of this work.

## 2 Literature Review

The discipline [economics] is divorced from real-world relevance and has lost credibility.

-Mohamed El-Erian, President at Queens' College, Cambridge

As I studied the history of economics, I found that metaeconomic theory relatively recently divided into two discourses regarding its treatment of the individual in relation to the economy. The first discourse, which has now become mainstream economics, has become more and more mathematical over time. It began with equilibrium theories, then progressed to statistics and modeling, and most recently to systems theories, AI models, and big data. While the data is driven by individual actions, most of these mathematical formulations aggregate individual data to levels where it doesn't really account for individuals at all.

The second economic discourse regarding the individual focuses on the economy as a spontaneous, self-evolving system, driven dynamically by the individuals within it as they interact with others and reflexively make decisions. This perspective understands that the economy evolves on multiple levels in many different directions at the same time, yet does not take the lens of ordered, composed evolution in the manner of systems theory, but takes the lens that human reflexivity, ingenuity, innovation, and entrepreneurialism are endemic to an economic system driven by disequilibrium rather than equilibrium.

Perhaps in retrospect, it has become easier to see that the model which better fits the economy today, whether national or global, is this second model. Mainstream economics has done an admittedly poor job of providing economic insight or predictions that are actionable in the real world. This was especially true when it failed to predict the 2008 financial crisis or its aftermath.

It has become commonplace to observe that mainstream economics is not too successful at providing insight. By modern mainstream economics, I mean that project distinguished by its emphasis, which is more or less an insistence, on the use of methods of mathematical deductivist reasoning. This noted lack of success is not only reported by critics of that project, but widely acknowledged mainstream spokespeople themselves (e.g., Friedman, 1999; Hahn, 1994; Ru 1995) (-as cited in Bigo, 2008).

The real story here may not be why mainstream economics didn't predict the financial crisis, but instead, who *did* predict it, and why?

In 2005-6, Nouriel Roubini began speaking about US home prices riding a speculative wave that would eventually cause the housing market to crash. He even addressed the IMF, stating that the US economy was in danger of a housing bust and deep recession. He was countered by economist Anirvan Banerji, who claimed that Roubini's theory was irrelevant because Roubini's predictions didn't matter in the mathematical models. Dr. Rajan, Chief economist, and director of the IMF in 2006, also predicted the crash in 2005-2006, stating that "bigger incentives for bankers pushed them to take riskier decisions." Paul Singer, famous for predicting the fall of Enron, began warning in 2006 that banks were creating 'radioactive' subprime-mortgage securities. Warren Buffett said in the 2002 Berkshire Shareholder letter, "We view [Derivatives and the trading activities that go with them] as time bombs, both for the parties that deal in them and the economic system" (Kapoor, 2018).

The reason why all these people were able to predict a crash that mathematical models couldn't was because they were looking at the *people* in the system. They asked what *bankers* were doing, and why. They asked what would happen to the banks if *consumers* could no longer afford the housing prices or defaulted on subprime loans. This focused on individuals as creative and reactive, having agency within

the confines of their institutions, and were able to predict outcomes which would end up impacting society as a whole that mainstream economics could not.

Mathematical models leave out the most important aspect of the economy – the creativity and reflexivity of the people who drive it and the idea that individual agency might impact the larger economy. Many scholars have argued that the more mathematical economics gets, the farther from reality it becomes. Two of the problems that Mohamed El-Erian (2018), President at Queens' College, Cambridge, gives for the lack of insights and predictive powers of mainstream economics are:

1. The proliferation of oversimplifying assumptions, including those that sideline many elements of real-world behaviors and interactions, in an effort to make models seem more “scientific.” This leads to overreliance on excessively abstract estimation techniques and approaches.
2. Poor and grudging adoption of important insights from behavioral science, along with excessive hesitation to develop multidisciplinary approaches.

El-Erian also argues that technological changes amplify the other shortcomings of economics, because new technologies “alter not only what we do but also how we do it”.

The 2008 global financial crisis had caused many proponents of New Keynesianism and DSGE models to reconsider why their models were so far from reality in their ability to predict the crisis, or the slow, lagging economic recovery from it. The calls for reconsideration of mainstream models or finding an alternative had begun before the financial crisis and have increased dramatically since.

In the literature, mainstream economic theory has been criticized for two main categories: mathematical and philosophical. The mathematical criticisms pertain to the aggregation of data, the price action lens, assumptions about the market (equilibrium, efficiency, and stability), and assumptions about people

(agents with stable, unchanging preferences who possess perfect information and make rational decisions to maximize their utility). The second criticism pertains to the philosophy of individualism behind mainstream economics, encompassing ontological individualism, methodological individualism, and epistemological individualism, which will be discussed in Chapter Three, the methodology.

Several economists have searched for a new theory and called for more detail from the micro, or individual, levels when making their predictive analytics (Tuckett and Nikolic, 2017). These calls for information from the individual level show that even mainstream economists realized that they didn't understand all the factors at work in individual decision-making.

These calls prompted my search for an alternative that might include a different conception of people at the individual level – treating them as individuals rather than agents. As I searched, I came across the argument from many mainstream economists that alternatives did not exist, yet many outside the mainstream argue that they do.

...Viable alternatives do exist in heterodox contributions (including, for example, Feminist, post Keynesian, Institutional, Marxian, Austrian, Social and Green economics) (Bigo, 2008).

Bigo's argument has been echoed by many others over the past few decades, and to my surprise, my research found that this argument has been ongoing since the time of Jevons, Menger, and Walras in the 1870s, whose works began the mathematization of economics and paved the way for Keynes.

There is an alternative strand of economics, begun by Erik Lindahl just prior to the 1936 publication of John Maynard Keynes's book *General Theory of Employment, Interest and Money*. Lindahl's work, *Studies in the Theory of Capital, and Money* (1919), created an entirely new disequilibrium economic theory based around the idea that individuals are reactive to their environment, and individual decisions create the micro-economy, and individual interactions create the macro-economy.



This strand has been built upon subsequently by two main theorists. Friedrich Hayek added the idea that individuals were interacting within institutional frameworks and that systemic properties and mechanisms could emerge through social interaction and Richard E. Wagner contributed the idea that the emergent system level properties could have emergent qualities to become more than the sum of their parts. Although other economists have made some progress in this area, such as Schumpeter's acknowledgement of the power of entrepreneurialism and idea of creative destruction, the three of primary focus for this thesis are Lindahl, Hayek, and Wagner due to their focus not only on the individual, but on the reflexivity of the individual to their environment.

The combined work of the three authors above creates a lens where individuals are the primary drivers of the economy, and we should look to the individual level where people are creatively making and changing plans, rather than the aggregate, for our theoretical foundation. Individual decisions are drivers of the microeconomy, and interactions between individuals are drivers of the macroeconomy. The theory puts forth that individuals are in large part not aggregatable because they are spontaneous, reactive, and emotional. In addition, the macro-economy is not simply the product of the micro-economy, because there are spontaneously emergent features that appear in the macro-economy which are more than the sum of the parts of the micro-economy. Counter to mainstream economics, this is a disequilibrium theory. Rather than arguing that the economy is trending toward equilibrium, it states that the foundation of the economy, and the only thing which can be assumed, is change. It does not assume efficiency or stability of market.

Through the acknowledgement of the dynamic, spontaneous nature of the individual, this combined view circumvents the four problems posed by mainstream economics of aggregation, price action, equilibrium, and the reductionist perspective of the individual into a rational agent. This perspective addresses the by many economists for more focus on the individual.

This chapter presents a comprehensive argument for this alternative perspective. It discusses how the mathematical thread of economic literature has come to dominate mainstream economic theory, and the criticisms and consequences of that thinking. This is followed by the beginnings of an alternative lens as envisioned by Lindahl, followed by how Hayek and Wagner's contributions have added to the lens over time. The chapter culminates with the conception of the *combined reflexive lens* used to analyze the data in this paper.

Finally, I argue that viewing the economy as spontaneously evolving from the individual level is a lens through which we can begin looking for trends in the economy which are being overlooked by mainstream economic theory.

## 2.1 The two discourses of economics regarding the individual

I will argue that economists can be divided into two broad groups: the mainstream and the dissenters. The mainstream essentially corresponds to the textbook view: 'Its existence as a coherent intellectual whole is generally most strongly expressed in textbooks at the upper undergraduate and at the graduate levels' (Colander et al., 2007–08, p. 306). The dissenters, as noted by Backhouse (2004), fall into two groups: the orthodox dissenters and the heterodox dissenters (Lavoie, 2012).

For the past century or so, economics has been a battleground of differing viewpoints regarding economic analysis. It's a relatively quiet conflict, with the opposition rarely heard over the mainstream mathematical economics hegemony that continues to move full speed ahead despite significant criticisms, which are examined in-depth later in this chapter. Some might characterize this war as a war for efficiency, claiming that it is better to have simple equations and simple statistics to explain the economy so efficient policy decisions can be made. However, statisticians understand that statistics are a snapshot of what exists at a certain moment in time, from a certain point of view.

Rather than a battle for efficiency, I would characterize this as a larger-scale war for the understanding of the power of the individual in the economy versus the tyranny of elitism and corporatism. The mainstream economic lens initially characterized the masses as ignorant and only useful for labor in ancient times, turned them into numbers during the Industrial Revolution, and since the evolution of general equilibrium models during the technological revolution has been turning individuals into *homo economicus*, or the equivalent of rational, all-knowing agents (Fleetwood, 2002; Lawson, 1997; Stout and Jensen, 2008, p. 158; Rittenberg and Tregarthen, 2012).

But there are alternative voices which have emerged in economic history. One of these voices is Erik Lindahl, who would have been considered a heterodox dissenter by Lavoie (2012) and a blasphemer by Lee (2011). Lindahl rejected the very core of mainstream economics and described a completely new perspective on the economy, one which considered the entire economy to be spontaneously evolving based upon the individual thoughts, plans and decisions at the microeconomic level and individual interactions with other individuals, institutional and social structures, and events at the macroeconomic level (1939, p. 47).

This section discusses the clash between these two lenses of economic thought, illustrating the shortcomings of mainstream economics and arguing that in the current environment, the *combined reflexive lens* of Lindahl, Hayek and Wagner might provide more insight into the current economy.

### 2.1.1 *Economics and the power of the individual*

Both lenses of economics, mainstream and Lindahl's theory, deal with the idea of the individual in fundamentally different ways. To understand why this may be, it is first necessary to understand how economic theory historically dealt with the individual.

The first conception of how the individual fit into the economy was the labor theory of value. It has been argued that the works of the classical thinkers such as Thomas Aquinas and Adam Smith all contain

references to the labor theory of value. Adam Smith's explanation in the *Wealth of Nations* sums up the theory nicely:

The value of any commodity, therefore, to the person who possesses it, and who means not to use or consume it himself, but to exchange it for other commodities, is equal to the quantity of labor which it enables him to purchase or command. Labor, therefore, is the real measure of the exchangeable value of all commodities (Smith, Ch 5, l.v.l. p. 47).

In the labor theory of value, the labor of the individual was the true source of value in the economy. While all three men recognized that other things might also contribute to the value of good, the key factor is that all three men believed that the value of labor was intrinsic to the value of goods and represented *most* of the value of goods.

The labor theory of value emphasized that individuals are the engine of the economy. The theory also highlighted the power of individuals to make decisions regarding their own labor and the labor of others, and the understanding that real economic power lay within their own creativity, reactivity, and emotion. Each individual would decide what he or she would produce with their labor given current market conditions, giving spontaneity and agility to the market. That is why classical thinkers were seen in later generations of economists as more 'humanistic' in their thinking, the human spirit was at the heart of the economy.

In the 1870s, the subjective theory of value overthrew the idea that labor was the heart of the economy. Instead, individuals grew powerful in a different way – as consumers. The subjective theory of value arose when three men from different countries all discovered the idea at roughly the same time. The first, William Stanley Jevons from Manchester, England argued that his economic theory was in essence “a calculus of pleasure and pain” (Jevons, 1871, preface to the 1<sup>st</sup> edition) and that all “value depends entirely

upon utility” (Jevons, 1871, p. 1). The second, Carl Menger in Austria, developed a similar concept which stated that value derives from human needs:

It has been shown that the existence of human needs is one of the essential prerequisites of goods-character, and that if the human needs with whose satisfaction a thing may be brought into causal connection completely disappear, the goods-character of the thing is immediately lost unless new needs for it arise” (Menger, 1871, p. 63)

And the third occurred a couple of years later, yet almost simultaneously from a historic perspective, when Leon Walras from Lausanne, Switzerland, developed the idea of marginal utility and the concept of general equilibrium and the supply and demand curves in *Elements of Pure Economics* (1874 and 1877), concepts which are used fundamentally in mainstream economics today.

Together, the works of Jevons, Menger, and Walras overthrew the idea of the individual being at the heart of value of the economy through their labor. The works of Jevons, Menger and Walras also steered economics toward a path of mathematization. Walras’s general equilibrium theory and supply and demand curves had turned the idea of the economy into a system of equilibrizing relationships. Walras’s equation focused on how transaction prices act as signals to other buyers and sellers, who then adjust their own activities to become more profitable, in other words this equation simplifies market action and focuses on price action at the market level. Aggregation to the market level completely omitted the individual from the equation.

The conceptualization of the equilibrium model gave rise to the dynamic stochastic general equilibrium (DSGE) approach. Dynamic Stochastic General Equilibrium models began with the Walrasian model in 1874, modeling an economy of price formation based upon pure exchange without production costs. The basic assumption of perfect competition, coupled with the Pareto optimal allocation of resources in the

Walrasian Paradigm and in the neoclassical model in general (Marshall, 1890; Pigou, 1912), provided a specific framework for the modelling of human behavior and preferences.

Alfred Marshall's *Principles of Economics* (1890) brought together the ideas of supply and demand, marginal utility, and production costs into a coherent whole. Marshall was the first to develop the supply and demand law, including supply and demand curves, market equilibrium, the relationship between quantity and price regarding supply and demand, the law of marginal utility, the law of diminishing returns, and the idea of consumer surplus and producer surplus. All these discoveries brought economics farther from the individual.

Thorstein Veblen (1898) argued that the future evolution of society and the economy was the result of collective change at the societal and institutional level rather than at the individual level, bringing forward even more powerful argument that economics needed to aggregate models to ever larger scales.

After the Great Depression, John Maynard Keynes wrote *The General Theory of Employment, Interest, and Money* (1936), arguing against the classical conception of the individual in economics in a completely different manner. He claimed that one of the causes of depression was classical economic thinking – which held that imbalances in the economy due to cycles of employment and economic output would be corrected by individuals, businesses, entrepreneurs, and investors pursuing new opportunities. Keynes argued that during serious downturns, people would become pessimistic, and the government would have to step in with monetary policies, such as deficit spending to stabilize aggregate demand, to counteract these crises. Once again, the power in the economy slipped farther away from the idea of the individuals, only this time, to the government.

General equilibrium theory continued to evolve, and its current form was realized in the 1950s with the work of several economists, McKenzie, Arrow, and Debreu. Building upon the work of the other economists above, they treat economies as mechanistic systems trending toward equilibrium that can be

predicted, and humans as the rational agents within them whose behavior can be modeled. Current economic theory, or orthodox economics, is a mix of general equilibrium theory and other associated mathematical economic theories along with Keynesian economics, still imposed by the governments of different countries globally in various ways.

Orthodox economics has become increasingly mathematical over time, and now consists of primarily DSGE models and Keynesian economics principles, offers one lens through which we can understand the economy. However, this lens, and the broader approach of mathematical thinking in economics, faces substantial criticisms, which will be discussed in the next section.

### *2.1.2 Critiquing mathematical formalism*

The reliance on mathematical models in economics has faced substantial criticism for often oversimplifying complex human behaviors and economic interactions. This section will address the broader implications and critiques of mathematical formalism that underpin much of economic theory and lead into the four specific criticisms of orthodox economics addressed in this paper. It is crucial to consider the implications of mathematical formalism and its effects on how we view economics and the outcomes we receive from these equations and algorithms.

In his 1972 work, Benjamin Ward identified a “formalist revolution” that began in the 1940s, and highlighted how economics had increasingly relied on mathematical models and proofs, arguing that this movement had as much impact on economic thought as the Keynesian revolution. He noted that this shift had led to the dominance of theoretical articles without empirical application in economic journals. This was evidenced in a 1986 review by Grubel and Lawrence, which showed that from 1951 to 1978 the number of pages in the American Economic Review which contained a mathematical expression without empirical use went up from 2.2% to 44%. (Grubel and Boland, 1986, p. 42; cf Debreu 1991, p1).

Tony Lawson, in his works *Economics & Reality* (1997) and *Reorienting Economics* (2003), particularly in the chapter "An Explanation of the Mathematising Tendency in Modern Economics", argued that the excessive reliance on mathematical formalism detracts from the understanding of real-world phenomena. Lawson pointed out that the mathematical lens fails to capture the open, dynamic, and complex nature of social reality, leading to a gap between economic theory and practice. McCloskey (1994) also critiqued the use of mathematical proofs and models in economics, arguing that they are often used as rhetorical tools more to persuade us of their rigor and precision rather than being useful as actual tools of analysis in the real world. She argued that the persuasive power of mathematical formalism often overshadows its analytical utility, stressing the importance of narrative and qualitative analysis in understanding economic phenomena, and stating that economists have taken over the intellectual values of the wrong subject – they are in love with pure mathematics rather than applied mathematics.

Mirowski (2002) agreed with this critique, stating that the adoption of mathematical techniques often leads to an overemphasis on mathematical sophistication at the expense of actual economic understanding. Blaug (also criticized the mathematical lens for creating a disconnect between economic theory and empirical evidence, emphasizing the need for economics to remain grounded in real-world phenomena and empirical validation.

In *License to be Bad: How Economics Corrupted Us* (2019), Aldred echoes the sentiments above by illustrating how economic models, often derived through a mathematical lens, fail to capture the nuances and complexities of real economic behavior. Offer and Soderberg (2016) build upon this argument by highlighting how these models, which they call 'imaginary machines', can be useful in theoretical scenarios but often fail to adequately predict real-world economic outcomes.



The common thread that weaves itself through the critiques above is the observation that while economic theories have become increasingly mathematical, they have moved toward theoretical abstraction at the expense of empirical relevance.

There are four main critiques of mathematical thinking in economics and the current DSGE model, which deserve to be mentioned here. These criticisms are aggregation; the lens of price action; assumptions about the market including equilibrium, efficiency, and stability; and assumptions about people such as rationality and having perfect information. These criticisms are detailed in this section, along with the contrasting perspective of the *spontaneously self-evolving economy* evolving from the level of the individual and individual actions.

#### 2.1.2.1 Aggregation

The first reason orthodox economics is criticized is that it looks at data from an extreme aggregate perspective. Mainstream macroeconomics, which looks at nations as whole, can provide national level insights, but may bear little relevance to what is happening for businesses and individuals locally.

Even orthodox microeconomics aggregates data to industries, markets, and sectors. This is completely removed from the level of the individual, obscuring individual experiences and decisions within the larger scope of the data.

From the perspective of the economy as spontaneously evolving at the level of individual decisions and individual interactions, it is easy to see why aggregation has so many criticisms. Aggregate models look at the economy often at a single layer, missing the complexity regarding how multiple layers of the economy interact and how aggregate data and effects emerge. In contrast, looking at the economy as evolving from the individual level allows us to understand how this aggregate data emerges and evolves through the actions of individuals in the institutional framework.

Further, the statistics and equations used in aggregation causes orthodox economics to look at all suppliers and all consumers in an objectivist fashion, not as individuals, but as mechanistic entities producing and consuming according to formulas used in the equations (Stout and Jensen, 2008). This lens removes the subjectivity, or the understanding of the spontaneity, reactivity, and individuality that exist in the market and how the market evolves through the actions of the individuals and their interactions within it. While mainstream economists might see this as a good thing, this limits their predictive power because it puts them out of touch with the individuals who exist within the market and their decisions, which influences the economy.

#### 2.1.2.2 Price action lens

The second criticism of orthodox economics is that it looks at the economy from a lens of price action (Smith, 1776; Walras, 1874; Arrow, 1973). Through the price action lens, it is generally understood that pricing is what generates the information that buyers and sellers need to make their individual decisions in the market, and price balances the economy.

The price action lens leads to explanatory weaknesses in the mainstream model because the only 'what' that price action explains is price action itself. Aggregate data can answer what is being supplied, what is being consumed, and what the price action is, but beyond price action, it is impossible to know what mechanisms might influence what producers are producing, or what consumers are consuming, or other decisions being made by the individuals and individuals within the corporations which might change price action.

In addition, the idea that economics should have only one lens is a narrow view that goes against the idea of most social sciences. As stated by Castro (2008), most other social sciences such as psychology and sociology have a diverse range of paradigms, yet economics only has one. Joseph Schumpeter in (1934, p. 12-22) described five branches of economics: theory, history, statistics, political economy, and economic

sociology. There is no reason not to examine other paradigms, such as psychology, sociology, or even anthropology, law or geography to see if they might give us a better understanding of the individual.

From the perspective of the economy as spontaneously evolving at the level of the individual decisions and individual interactions, it is obvious that a price action lens is measuring an outcome, with little information about the input other than price. Why are sellers choosing to sell at that price? Why are buyers choosing to buy? What are the factors influencing production or the market? Even producer theory, with its combination of inputs to outputs, tells us almost nothing about any of the factors that might influence individuals to make decisions about the production and consumption of products.

#### 2.1.2.3 Assumptions about the market: Equilibrium, efficiency, and stability

The third problem with general equilibrium theory is the assumptions it makes about the market. The four main assumptions general equilibrium theory makes about the market are: it is always trending toward equilibrium, it is always trending toward efficiency, it has stability of supply and demand, and people looking out for their own self-interests result in a beneficial 'invisible hand; effect as stated by Adam Smith.

The first assumption, equilibrium, has been highly contested since mainstream economic theory was created. Many economists have argued that the economy doesn't trend toward equilibrium in the real world, first because the real economy is not a closed system with constant conjunctions (i.e. Hayek, 1955; Fleetwood, 1996). There are alternative ideas which would appear to be closer to reality, such as the idea that the economy is always changing due to the complex plans of the individuals within it (Wagner, 2020).

This assumption matters because the two schools of thought look at the economy with completely different lenses and therefore completely different sets of expectations for analysis. The mainstream lens looks at the economy with the expectation that it largely remains the same over time unless there are external shocks to the system, and therefore that the individuals within it largely remain the same. In contrast, a lens looking for change in the economy searches for new trends, changes in the political and

social spheres that could affect the economy. When we look back through time at the changes in the economy, even in the last two centuries we have seen the shift from an agrarian economy to an industrial economy to a knowledge economy along with the associated changes of the individuals within the economy regarding their wants and needs, it would appear obvious that change is the only true constant.

The second assumption inherent in general equilibrium theory is the idea of efficiency. General equilibrium theory assumes that competition between entities encourages suppliers to become as efficient as possible when producing goods. Equilibrium analysis functions on the idea that the economy is balanced, and the invisible hand leads to efficient outcomes. Adam Smith observed this in his time and asserted that individuals acting in their own best interests tended to bring about market efficiency through price action. It is thought that competition increases the efficient utilization of resources until the economy approaches the perfect allocation of resources, illustrated beautifully by the Pareto optimization principle. At its highest level of efficiency, resources in the economy are distributed in such a way that they are operating at their highest utility and reallocation will not make them operate any more efficiently.

However, the Pareto optimization principle fails to account for instances of market inefficiency or lead us to reasons why they may not be efficient. In times of turmoil or external pressures, individuals may not always make the most economical choice, for myriad reasons. There are many internal and external factors in an economy which may prevent it from reaching Pareto optimization, and in the theory these factors are called market failures. Some of these factors may be based upon the creativity and individuality of the participants, which is not accounted for by the theory since it only deals with aggregate behavior. Another barrier to efficiency could be the desire to produce things locally, or nationally, the countereffects of which have been seen in supply crises during the Covid-19 pandemic or the subsequent energy crisis.

The third assumption made by mainstream economics is that supply and demand are relatively stable or always trending toward stability. That assumption, dating back to Alfred Marshall's (1890) *Principles of*

*Economics*, also, has been argued against quite effectively. This argument for stability of supply and demand does not examine what trends or factors might be behind the stability or instability of the markets at an individual level before aggregation takes place, and ignoring the individual level leaves us in the dark as to what these trends are and what the outcomes may be.

The fourth assumption, that people looking out for their own interests automatically work together as a system, forming a beneficial 'invisible hand', is not consistent with reality. In direct opposition to Adam Smith's idea that rational decisions at the individual level creates an optimal outcome for society, Thomas Schelling (1978 - from Wagner, 2020) has shown that sometimes individuals acting in their own best interests at the individual level may have a negative outcome on the overall economy. This makes it even more important to track actions at an individual level, to look at the patterns and trends, and be able to look at the motivations behind the activity.

For this, mainstream economics turns to game theory, which can model rational decision-making and strategic interactions. However, it is still missing the creativity and reactivity of how individuals make decisions. Many decisions cannot be foreseen; therefore, they would not be programmed into game theory scenarios.

#### 2.1.2.4 Assumptions about people

The last criticism of orthodox economics, and possibly the most important for this thesis, is the assumptions that mainstream economics makes about people. There are three ways in which mainstream economics lacks effectiveness when it deals with people: the demand side, the supply side, and social interaction or group effects.

##### 2.1.2.4.1 Humans as consumers with unstable, changing preferences

The typical complaint about mainstream economics is that it assumes people have perfect access to information, and that they make rational decisions based upon that information. People are reduced to

utility functions which presume that they act according to utility-maximizing principles. According to Perelman (2006), there are very few philosophical discussions in economics classes, so students are taught to utilize utility-maximizing models and equilibrium models without understanding the political philosophy or theoretical paradigm behind them, and the use of these models has been argued against by many different authors over the years.

The problem with economic utility-maximizing equations is not that it leaves out *some* of the preferences of individuals, but that it takes them as given and leaves out the idea of creativity and reactivity. In writing on the topic, Emmett (2006) states, “Economists have been both blessed and cursed by the simplicity of their basic assumption about the nature of human conduct” (p. 98). He rightly states that modern psychology offers many theories of human behavior regarding preferences, social conditioning, or even our place in the framework of society.

Two orthodox economists who attempted to tackle the issue were Stigler and Becker (1977), placed desirable commodities in the utility function which would allow for preferences aside from goods, such as health or social distinction. However, this only allowed for a couple of variables, and they argued, “economists must accept the assumption that tastes, preferences, and values are stable over time and place and the same for everyone: ‘Tastes neither change capriciously nor differ importantly between people’ (Stigler and Becker 1977: 76 – as quoted in Emmett, 2006). Stigler and Becker argued that the placement of these variables would increase predictive power, and Emmett (2006) argues that the increase of predictive power matches with Friedman’s methodological claim that good science is based upon the adequacy of its predictions rather than its assumptions.

The problem with this line of thinking is two-fold. First, the number of variables which might describe human preferences would almost certainly become quite cumbersome rather quickly if it were to approximate actual human preferences. Although these preferences might give better correlational

power to economic predictions for a certain while, they are likely to have computational errors because they can't account for everything, and also because human preferences are likely to change over seasons, years, and certainly over generations. So, this is more of a function of form rather than giving us better insight into the true nature of the economy.

Second, the demand side of the equation is certainly part of the story, but by no means the entire scope of the problem made about the people who drive the economy as both laborers and consumers. One of the largest implicit assumptions made by mainstream economics is that it assumes people will continue to act the way they have in the past. This assumption of stability in a world of humanity that is intrinsically creative, reactive, and spontaneous is a mistake.

#### 2.1.2.4.2 Humans as suppliers of labor and innovation

In addition to the demand side of the equation, I argue that mainstream economics is lacking in how it deals with the individual on the supply side of the equation, where desire to work or aversion to work would be located. In addition, even almost two hundred years ago, Mill was aware of certain individuals' aversion to work, and that these supply-side preferences should be considered in economics. However, mainstream economics takes for granted the assumptions that producers will keep producing and consumers will keep consuming, without questioning what would happen otherwise. Future projections using mainstream economics equations also implicitly assume that there will be an adequate supply of labor for hire by production facilities so that they can keep producing – a major assumption which has already been challenged by Eberstadt (2022) and others looking at the growing number of individuals worldwide who are economically inactive.

In addition, DSGE models go so far as to say that innovation and changes in technology are external to the system and unaccounted for by many models. This leaves entrepreneurialism and the inventions of new

technologies such as AI with the power to destroy and revolutionize industries completely unaccounted for. These are also on the supply side of the equation as inputs to the system.

#### 2.1.2.4.3 Humans and interactions

Another layer on top of the supply side and demand sides of the equation are the interactions between humans on both sides. In David Tuckett's (2011) book, *Minding the Markets: An Emotional Finance View of Financial Instability*, he claims that what matters in economics are social interactions. This is because agents are interpreting the world, and they often interpret the world wrong. He illustrates his point with studies where none of the descriptions of decision-making are consistent with standard models. Therefore, he claims that since economists don't know what the interpretations of the individuals in the economy are going to be, it's very difficult to build predictive models.

There is also no place in these models where external shocks to the system would be accounted for in predictions. We can see that humanity reacts both individually and with large, generational group effects in the studies of the changed economic behavior in people who lived through external shocks. Studies have shown wide and varied effects on individuals and populations such as decreased financial risk-taking after the Great Depression (Malmendier & Nagiel, 2009), long-term SES and health in World War II (Kesternich et al., 2014), or changing shopping habits after the Great Recession in 2008 (Dizik, 2015).

Those shocks continue to this day, with the Asian financial crisis, the Dot-com bubble in 2000, the September 11 attacks in 2001, the Great Recession in 2008, the Covid-19 pandemic, and the war in Ukraine and subsequent inflation and energy crisis being just some of the external shocks that the interviewees of this paper have lived through. Early papers already show large changes in consumer spending behavior and patterns during and after the Covid-19 recession in 2020 (Peña-Lévano et al., 2020). Depending upon their ages, they may have lived through more or fewer crises, or they may have been affected directly or through the adults around them, but the effects would still have helped to shape



their economic worldviews regarding work, value and availability of goods, and consumption patterns. Furthermore, external shocks do not just affect the short-term, but also affect their long-term behavior and mindset. It has been shown that the more traumatized people are, the shorter their time horizons (Deaton, 1992).

As I studied the mainstream economic theory and its four main criticisms regarding extreme aggregation, the lens of price action, assumptions about the market, and assumptions about people, I perceived gaping holes in its treatment of the individual. By treating individuals as agents and agents as individuals, mainstream economics leaves out the power of the individual to drive the economy and contribute to economic growth.

However, as I put together the economic context and saw that all three countries in this study had rising numbers of university graduates, lessening productivity and growing inequality, it began to seem that something was amiss in our economies today. It seemed like what was good for the institutions might not be working for the individuals in society, or even causing the institutions to work against the individuals in society. I wondered if individuals might have more power than mainstream economics was giving them credit for, so I began looking at alternative theories which looked at the economy at the level of the individual. There are very few, but the one which absorbed me the most as a viable option was Erik Lindahl's (1919) conception of the economy as the result of human actions and human interactions. The next section discusses how I used the work of Lindahl, Hayek, and Wagner to conceptualize an alternative economic lens, which I have termed the *combined reflexive lens* for this thesis.

### 2.1.3 *An alternative perspective*

Lindahl put his 1919 theory into a three-part theoretical work called *Studies in the Theory of Capital and Income* which was published in 1939. Lindahl's theory was revolutionary then, and it is still revolutionary now, although almost no one knows about it. The first part of Lindahl's work is the most important for the

purposes of this thesis – and it is groundbreaking in two fundamental ways. First, the theory puts forth the idea that individuals within the economy, rather than being overlooked as simple agents with stable preferences as they are in mainstream economic theory, are the drivers and creators of the economy at the micro level through their creative and reactive decisions, and the macro level through their interactions and social and institutional constructions. Second, rather than arguing that the economy is trending toward equilibrium, this theory purports that the only constant factor in the economy is change. Therefore, it suggests that economics should be founded on disequilibrium theory.

Hayek built upon Lindahl's work by refining the idea of how the individual level contributes to the macro level of society, spontaneous order. Rather than looking at the outcomes, Wagner built upon the work of both Hayek and Lindahl to add the idea of emergence, which is elaborated on later in this section.

#### 2.1.3.1 Lindahl

In 1919, Erik Lindahl, a Swedish economist, wrote *Studies in the Theory of Capital and Income*, putting forth a theory of economics that is unlike any other in its treatment of the individual based on the idea that the entire economy is driven by individuals through their decisions and their interactions.

Lindahl's work offers a response to many of the criticisms of mainstream economics, largely due to its differential treatment of the creative individual as the driver of the economy through decisions and interactions. The paradigm shift from the individual as a rational agent, in possession of perfect information, making utility-maximizing choices regarding their economic decisions to the individual as a spontaneous, emotional driver of the economy with imperfect information results in significant changes to the approach of economic analysis. This shift in focus causes subsequent shifts from a static equilibrium analysis to a dynamic disequilibrium analysis, and emphasized plans rather than price action, thereby addressing several of the theoretical issues in mainstream economics.

Lindahl's critical view of the mainstream representation of the individual stemmed from his understanding that humans were subjective and not entirely rational. He stated, "the plans of economic subjects at any given point of time are neither fully consistent with one another nor with the external conditions and therefore must be successively revised" (Lindahl, 1939, p. 38). He demonstrated this by giving two examples, first that people have imperfect knowledge, and second that market conditions may change based upon unforeseen events that could not be predicted. He said that we can only estimate probabilities that humans will act in a certain way given certain technical, institutional, and psychological conditions, and that those estimates should be based as much upon reality as possible. He also stated that economic theorists should also consider theories of how individuals make and change their plans, and theories of economic development to make their theories closer to reality.

Lindahl's theoretical framework for analysis saw individuals operate in two realms – micro and macro. Lindahl assigns micro-economic theory to the domain of individual choice, and macro-economic theory to that of societal interaction among individuals, which includes social and institutional structures. Both domains include the human element of emotionality and reactivity to changing information. The duality of Lindahl's perspective allows us to see that economies are "complex systems of human interaction whose properties cannot be discerned simply through aggregation over the individuals who constitute a society" (Wagner, 2020, p. 6). In short, his theory brings back the subjective, human, non-aggregatable quality to economics.

This shift in the treatment of the individual causes a subsequent shift from equilibrium theory to disequilibrium theory. Lindahl was at odds with mainstream economics and the ideas of equilibrium theory and rational agents because, as he stated:

Leaving aside the question whether man can exercise free-will or not, it is of course not possible to determine the causes of his behavior in the same way as those of the events of the external world (p. 35).

It was important to Lindahl that economics be realistic and mirror reality as much as possible, and in his view, trying to determine human behavior through rational equations was not the answer. In fact, he claimed that the purpose of economic theory was to show how economic developments would arise from initial conditions in a realistic manner, and he didn't believe that equilibrium theory, as a static theory, could handle the dynamic nature of the economy (p. 23). Lindahl also states that DSGE equations are unrealistic because they assume that the economy transitions abruptly from one equilibrium position to another.

He calls for a fully dynamic theory, stating that economics is largely concerned with or the result of human actions, and human actions are irrational, their access to information imperfect, and their preferences are unstable and change over time. For Lindahl, the inherently dynamic nature of the economy was obvious, as the entire point of even mainstream economics was to determine the fluctuation of curves. From this, he stated it was obvious that economic theory itself also needed to be dynamic in nature (p. 31). By assuming disequilibrium, he argued that economists are looking for this dynamism and change as the starting point of their analysis.

Lindahl also argued that the equilibrium position in regard to price action is not realistic, a because in the actual dynamic conditions that exist, there is no need for equality of supply and demand, and prices are dynamic based upon the wishes of the seller and the acceptance of the buyer (p. 61).

Lindahl was not making the same assumptions about people that were made in mainstream economics. He understood that individuals' plans would change as the results of their former plans came to fruition

or as external technical or institutional conditions changed and was encouraging economists to look at these conditions and their evolutions when formulating their predictions.

Unfortunately, Lindahl's essay was written in Swedish and not translated to English until 1939. It was built upon by Keynes and others later, but in the meantime, John Maynard Keynes's book *General Theory of Employment, Interest and Money* was published in 1936 attained supremacy among economic theories. Keynes's book focused on aggregation rather than human interaction along with its emergent effects and had already become mainstream by the time Lindahl's theory was translated.

#### 2.1.3.2 Hayek

With all the focus on the development of DSGE models, it wasn't until Hayek picked up Lindahl's work in the 1930s and 1940s that the theory got momentum once more. Hayek had tried to embrace the Walrasian idea of equilibrium – but instead found that he couldn't conceptualize society as anything other than evolving and creative, with order arising from disorder as a never-ending process rather than an end state.

“Technology doesn't just change, for it changes as a consequence of people forming and pursuing plans. The social world that we all inhabit and experience, doesn't just happen or isn't just there as data. To the contrary, it is an emergent product of people forming and pursuing their various plans of action” (Hayek, 1935, p. 28).

Hayek argued that orderly patterns such as the ones formed in the economy did not require the presumption of equilibrium and demonstrated that the Pareto efficiency principle has no meaning in the context of continuous change (Hayek, 1935, p. 60). Hayek refined several of the principles Lindahl had asserted in his earlier work, demonstrating how individuals are subjective by observing that individuals experiment in the market and search for and acquire knowledge they will use later.

Hayek also echoed Lindahl's prior assertion that prices emerge through transactions – formed by the interactions of buyers and sellers:

Prices, for that matter, are not data, for they likewise are products of interaction among plans and the requirements for resource inputs those plans entail (Hayek, 1935, p. 28).

He stated that even though economists want to argue that there are market prices, they still emerge and change through market transactions between buyers and sellers, although there may be small time windows where they remain the same until they are recalibrated (Hayek, 1935, p. 61).

Hayek's real contribution to Lindahl's legacy was that he demonstrated that systemic properties stem from social interaction. While Lindahl had taken a very much straightforward view that through knowing individual plans, one could determine systemic outcomes, Hayek took the viewpoint that the combined effect of individual interactions might be different than any individual had intended.

It is, of course, supremely easy to ridicule "invisible hand"—which leads man "to promote an end which was no part of his intention." But it is an error not very different from this anthropomorphism to assume that the existing economic system serves a definite function only in so far as its institutions have been deliberately willed by individuals. This is probably the last remnant of that primitive attitude which made us invest with a human mind everything that moved and changed in a way adapted to perpetuate itself or its kind. In the natural sciences, we have gradually ceased to do so and have learned that the interaction of different tendencies may produce what we call an order, without any mind of our own kind regulating it. But we still refuse to recognise that the spontaneous interplay of the actions of individuals may produce something which is not the deliberate object of their actions but an organism in which

every part performs a necessary function for the continuance of the whole, without any human mind having devised it. (Friedrich A. Hayek, "The Trend of Economic Thinking," Inaugural lecture delivered at the London School of Economics, March 1, 1933).

With Hayek, we can also see an understanding similar to Lindahl's of individuals making decisions and interactions and interacting within social structures. According to Fleetwood (1995) in his book *Hayek's Political Economy: The Socioeconomics of Order*, this understanding comes from Hayek's later works, where he shifted to a quasi-critical realist philosophical perspective, which will be discussed further in the methodology. However, the outcome of this philosophical shift was that Hayek was able to assert that institutions existed separately from individuals, and this led him to the understanding that individuals had a reflexive relationship with institutions and that the sum of actions of a group would be more than the sum of its parts. Hayek's contribution of the combined effect of properties of individual interactions at the macro level that lends itself to this work.

#### 2.1.3.3 Wagner

The next economist to pick up the work of Lindahl and Hayek is Richard E. Wagner. In his book, *Macroeconomics as Systems Theory* (2020), Wagner outlines a comprehensive framework that builds on their theories, emphasizing the complex, adaptive nature of economic systems. There are many principles in Wagner's concept of the economy that are consistent with Lindahl and Hayek.

First, Wagner views the economy as a complex adaptive system, where macroeconomic phenomena emerge from the actions of individual agents. This perspective aligns with Lindahl's emphasis on decision-making and the dynamic nature of the economy and Hayek's ideas on spontaneous economic order which arises from decentralized decision-making without central planning.

Second, Wagner argues that macroeconomic outcomes are emergent properties arising from a complex web of interactions between individuals. This builds on Lindahl's view by visualizing the macroeconomy as a larger, interconnected framework, and supports Hayek's idea that systemic properties emerge from social interactions between individuals, emphasizing that patterns in the macroeconomy differ from simple aggregates of micro economic behaviors.

Third, Wagner emphasizes the idea that economies are inherently dynamic and continuously evolving, echoing Lindahl's call for a dynamic, disequilibrium-based model and Hayek's rejection of static equilibrium in favor of continuous change.

One difference in Wagner's theory is that Wagner's theory places institutions at the center, giving the concept of macroeconomics as being the idea of an entity comprised of the whole of society which in turn is comprised of individuals (Wagner, 2020, p. 14). These institutions then shape and constrain individual behavior and create the structural environment for economic interactions. Although the institutional focus is new, his theory acknowledges Lindahl's focus on the technical, institutional and psychological conditions affecting economic plans. Wagner also incorporates Hayek's recognition of social structures existing outside individual actions and influencing individual actions, giving more of an institutional context to the economy. However, Wagner still states that his approach acknowledges the understanding that the individual agents within the system are creative and volitional (p. 15).

A second difference is that Wagner then uses polycentric network architecture to create his own macroeconomic systems theory, calling it an OEE model – for Open-Ended and Evolutionary. Wagner's model begins with individual interactions and runs those interactions to see the emergence of macro patterns from the interactions, which at first glance appears theoretically similar to Lindahl's conception of economic theory. However, Wagner makes the distinction between his work and Lindahl's saying that Lindahl's macro theory points toward a relation between micro being the parts of something and the



macro being the entirety of that thing. Upon review of Lindahl's work I found that, indeed, he did not speak of emergence at the macro level. It wasn't until Thomas Schelling (1978) that there was a theory as to how system-level properties could emerge from micro-level interactions. Therefore, Wagner's addition of emergence at the macro level is a welcome development of the theory. Here is how Wagner describes it:

“...this book recurs to Lindahl's distinction between choice and interaction. Hence, macro phenomena are complex phenomena that are often not direct products of someone's choice because they emerge through interaction among choosers. Such phenomena are often characterized by such notions as invisible hands and spontaneous orders.” (Wagner, 2020, p. 5).

In Wagner's model, change comes from inside the system as individuals within the framework are continually creating new things such as businesses or techniques, and interactions will typically generate emergent features. The model is a disequilibrium model that “treats macroeconomics as the study of the constitution or the generation of social patterns of economic activity” (Wagner, 2020, p. 28), and he calls the web of interactions between individuals an ‘complex ecology of plans’ (Wagner, 2020, p. 6). Through Wagner's theory, we see the true idea of emergence, and that the economy might be created by individuals and their interactions, but its emergent effects might be unintended and even unwanted.

Wagner's integration of the dynamic, disequilibrium theory, and focus on emergence and complexity are very consistent with Lindahl and Hayek. Therefore, one might ask why this thesis is not adopting Wagner's theory as the lens for this paper since it is the most recent. I have several issues with his model, which are explained briefly here.

First, Wagner differentiates between something emerging ‘spontaneously’ versus having been chosen and takes the view that emergent properties which haven't been chosen – or unintended consequences –

occur more often than not. I feel that his distinction limits the term spontaneity to ‘things that occur which haven’t been chosen’ and that is inconsistent with how Lindahl spoke of the spontaneity of the human condition or how Hayek envisioned the dynamics of macro emergence from the micro. I can agree with Wagner that sometimes emergent properties do come out at the macro of which individuals at the micro had no conception of, but whether *most* or *all* things that come out of the micro are emergent features which haven’t been chosen or are unintended is a step I’m not willing to take. From observation, I believe we can see that people can choose spontaneously and also that emergent features can be chosen to emerge or can simply emerge on their own.

Second, Wagner’s approach to macro theory shifts the focus away from individuals to institutions. He states that macro change is mediated by “social institutions, conventions and processes that in turn are generated through interaction among economizing persons” (Wagner, 2020, p. 8). It is true that we would look to institutions for evidence of emergent features, I think we must be careful here not to give too much power to social institutions in creating macro change or being the only level we would look to for emergent features. This reductionist view is very similar to mainstream economics because it fails to capture the full range of spontaneous, adaptive, and innovative human behaviors and decision-making processes (Lane and Maxfield, 2005). We need an understanding that individuals and social structures work together in balance and within even larger systems, without too much reduction either way.

Third, when Wagner does consider individuals, he focuses on entrepreneurs: “the conceptual framework of this book treats entrepreneurial plans and not spending as the primitive variables for a macro-level theory” (Wagner, 2020, p. 29). This simple yet obvious shift explains most of the evolution of the economy – shifts in power, technology, and communications, shifts in business, and shifts in processes all stem from entrepreneurial ventures that have revolutionized the economy any number of times in any number of ways, and continue to evolve it at small and large scales. Yet once again, it drives us away from most individuals in society. Most individuals aren’t entrepreneurs. However, that doesn’t mean that individuals

aren't making plans and that their plans have any less impact on the economy – we just need to have the right lens in order to see it.

Lastly, and perhaps most importantly, regardless of the properties that systems theory can give to individual agents within the system, individuals are still reduced to agents and their spontaneity must by definition be collapsed or reduced in order to run systems models. Agent-based modeling is not the same as human agency, because it abstracts the unique, context-specific actions of real individuals (Epstein, 2006). This goes against the very spirit of what Lindahl and subsequently Hayek were trying to achieve.

While I like Wagner's idea of the OEE macroeconomic theory and it presents an innovative approach, I don't think it will work to attain the spirit of what Lindahl and Hayek were trying to accomplish. His theory puts entrepreneurs in the driver's seat of the economy and most of the responsibility for emergence at the macro level of the economy on social institutions (and their leaders), conventions and processes. This perspective fails to capture the significance of individual agency, creativity, and reflexivity, relegating the individual to the realm of non-importance. In addition, Wagner's OEE frameworks do not address the fundamental issue of mainstream economics: lack of focus on the creative, reflexive individual. It doesn't matter how much detail with which we construct agents in systems theory or OEE frameworks to try new things or create new businesses or processes, theoretically it all boils down to the same problem as mainstream economics – we are not *really* looking at the spontaneous individual.

#### 2.1.4 *The combined reflexive lens*

The theories of these three economists combine to give us a comprehensive overview of how the economy is created and evolved by individuals through their interactions with each other and with institutions, viewed through a reflexive lens that emphasizes the dynamic feedback loops that individuals have with institutional structures.

This *combined reflexive lens* is built upon the foundational work of Lindahl (1919), who theorized that the microeconomy is comprised of individuals making decisions, and the macroeconomy is comprised of the interactions between individuals. Lindahl emphasized that individuals make plans, explore future outcomes, and that their plans can change over time. He stated that economists must take into account the technical, institutional, and psychological conditions when looking at the economy.

Second, Hayek (1935) expanded on Lindahl's theory with the idea that systemic properties would emerge through social interactions. Hayek argued that individual's interactions in the market combine to form complex adaptive economic systems.

Third, Wagner (2020) added to these ideas by incorporating the idea of emergence, that these systemic properties were emergent, or more than the sum of their parts. The evolution of ideas is shown in Table 2.1-1.

Table 2.1-1. Evolution of thinking regarding the individual and the economy.

	<b>EQUILIBRIUM THINKING</b>	<b>EMERGENT THINKING</b>	<b>OEE THINKING</b>
<b>AUTHOR DRIVER OF THE ECONOMY</b>	Walras and successors Price action	Lindahl, Hayek Individual decision-making	Wagner Entrepreneurs and institutions
<b>TREATMENT OF THE INDIVIDUAL</b>	Homogenous agents whose thinking is rational and predictable	Variiegated Individuals with reflexivity and diversity	Creative individuals, particularly entrepreneurs who drive change through innovation
<b>TREATMENT OF EMERGENT FEATURES</b>	Arise from external shocks to the system or the invisible hand	Arise dynamically from individual interactions (parts to whole), spontaneous order	Arise from institutions, conventions and processes
<b>CHARACTERIZATIONS OF THE INDIVIDUAL'S RELATIONSHIP WITH THE SYSTEM</b>	Individuals have a stable, predictable, enduring psychological relationship with the system	Individuals have a dynamic and evolving relationship with the system due to their interactions	Individuals have a relationship that is emergent from their interactions and mediated by institutions
<b>CHARACTERIZATION OF INDIVIDUAL RELATIONSHIPS WITH EACH OTHER</b>	Often not considered	Characterized by their interactions, influenced but not entirely determined by institutions	Structured and mediated by institutional arrangements

This *combined reflexive lens* using the foundational work of Lindahl, Hayek, and Wagner will be the lens through which the interview data is analyzed in this thesis.

### 2.1.5 *The theoretical gap*

The previous sections in this chapter have presented the argument that there is a theoretical gap in mainstream economics today, especially regarding the treatment of the individual in economic theory. Mainstream economic models, particularly those based on DGSE, often rely on assumptions that individuals are rational agents with stable preferences operating in equilibrium states. While useful for certain analyses, this approach fails to capture the complexity and dynamism of real-world economic

behavior. Several economists have called for a more realistic foundation in economics that would better reflect the nature of the individual and individual decision-making and its impact on the economy.

There is a growing body of literature which critiques the limitations of mainstream economic theory. Lawson (1997) argues for a more ontologically grounded approach) which also considers the social and institutional contexts in which individuals operate. McCloskey (1998) suggests that mainstream models overlook the importance of human creativity and reflexivity. Hodgson (2007) highlights the need for methodological pluralism and a departure from the reductionism found in mainstream economics.

To address this theoretical gap, this research will utilize a combined lens built on the work of Lindahl, Hayek and Wagner – the *combined reflexive lens*. This lens combines Lindahl's emphasis on individual decision-making, Hayek's concept of spontaneous order, and Wagner's insight into the emergent properties of economic systems, and the insights of all three authors that individuals do not make decisions in a vacuum but have reflexivity with the institutions and events in their environments. By viewing the economy and the individuals within it through a reflexive lens, this approach takes into account the dynamic feedback loops between individual actions and institutional structures and will hopefully lend some insight into the evolving and adapting nature of the economy.

#### 2.1.6 Research Questions

In the introduction, we saw that the economic context of the world shows many inconsistencies, falling productivity and rising inequality despite the increasing percentages of individuals in higher education. In the literature review, it is suggested that mainstream economic theory is falling short in offering explanations for these phenomena. This study attempts to delve into these questions from the *combined reflexive lens* of Lindahl, Hayek, and Wagner to answer the following research questions:

- a. What are the key mechanisms that drive how individuals decide to contribute to the economy?

b. What is the impact of individual decisions in evolving the economy?

It is hoped that the answers to these questions will help us to explain what is happening in the economy from this alternative lens.

## 2.2 Conclusion

This chapter has detailed the two discourses regarding the individual in the economy: the first from mainstream economic theory and the second from the general economic theory begun by Erik Lindahl in 1919. It has outlined the four mathematical criticisms of mainstream economics that drive it away from being a realistic theory: aggregation, the lens of price action, assumptions about the economy, and assumptions about the individuals who reside within it. It has also outlined the issues with three-fold individualism which has also caused many economists to call for an alternative theory.

A theoretical framework relying on the ideas of Lindahl, Hayek, and Wagner been proposed as a viable alternative, which is built upon the prior work of Lindahl (1919), Hayek (1935) and Wagner (2020) and tackles all four of the criticisms of mainstream economics. This lens states that reflexive, creative individuals are the primary drivers of the economy through their decisions and interactions with other individuals and institutions. Individual decisions are drivers of the micro-economy, and interactions between individuals are drivers of the macro-economy, influenced by social institutions. The theory puts forth that individuals are in large part not aggregatable because they are spontaneous, reactive, and emotional and make reflexive decisions. In addition, the macro-economy is not simply the product of the micro-economy, because there are spontaneously emergent features that will appear in the macro-economy which are more than the sum of the parts of the micro-economy. This is a disequilibrium theory, rather than arguing that the economy is trending toward equilibrium with efficiency and stability, it states that the foundation of the economy, and the only thing which can be assumed, is change.

This thesis argues that this lens is a foundation for economics which lies much closer to reality than mainstream economic theory today and needs to be examined. It fills the theoretical gap that has been outlined by other economists when they called for a theory that would be more subjectivist, take into account real-world interactions, and be open to multidisciplinary approaches other than mathematical modelling.

Through this theory, I am asking two research questions:

- a. What are the key mechanisms that drive how individuals decide to contribute to the economy?
- b. What is the impact of individual decisions in evolving the economy?

It was a challenging task to come up with a methodology for this study, yet I think critical realism answers the call for an appropriate methodological foundation for the study, as well as providing an approach other than the mainstream deductivist mathematical modelling.



## 3 Methodology and Methods

In the literature review, I presented a growing divergence between the two threads of economic theory regarding the individual, triggered by the introduction of equilibrium theory by Jevons, Menger, and Walras. This divergence has increased over time as mainstream economics has become more mathematical and followed a philosophical position of three-fold individualism.

This third chapter presents the methodology and methods. To do so it first explains the philosophical positions of empirical realism and three-fold individualism behind mainstream economics and why this philosophical position causes mainstream economics to fall short of being able to explain reality. Second, the chapter details the calls for a new methodology in economics, referencing many authors calling for exactly that. Third, this chapter puts forward the idea that critical realism is the ideal methodology for this study, due to consistency with the perspectives of the three authors behind the *combined reflexive lens* used in this paper.

Fourth, this chapter delves into the specific arguments for the use of critical realism, including its layered and transformational view of reality, its view of the individual as creative and reflexive, making decisions in a feedback loop with the structures, mechanisms, rules, powers, and relations that exist around them. Fifth, the overview of the interview process and ethics is explained. Last, the critical realist technique for analysis that was used in this paper is explained.

### 3.1 The philosophical underpinnings of mainstream economics

The task of building a theory around expansive, complex systems such as the economic system is a daunting prospect. Even when authors do undertake the attempt to do, it is often the case that the state of knowledge, or their ontology, epistemology, or focus make their approach reductionist in some fashion.

Joseph A. Schumpeter's (1934) *History of Economic Analysis* beautifully illustrates how state of knowledge affects economic studies. From the first pages to the last, we can see the evolution of economic research— from Aristotle's value, money, and interest to the mercantilists in the 1700s. Subsequently, the inclusion of politics, sociology and the credit cycle in economic thought took place in the 1800s, and finally free trade, psychology, and equilibrium analysis made their marks on economic thought in the 1900s.

Economic thought and research grew as discoveries in other natural and social sciences, econometrics, and statistical analysis, and finally technological computing power offered fresh insights to the field. Such was the case with Thomas Picketty's (2014) book *Capital in the Twenty-First Century*, a magnificent work which he admits would have been almost impossible to write without computing technology allowing him to aggregate worldwide data on household income, budget studies, and tax records back to the years 1910-1920 for many countries around the world.

However, as mentioned in Chapter Two, while some of these discoveries have been extraordinarily powerful, such as computing power and big data, they have also allowed the mathematization of economic theory until the final numbers tell us very little about the economy in question. This mathematization, along with equilibrium analysis and other associated equations, flattens economic reporting into a final set of numbers such as GDP, unemployment percentages, and productivity scores, which tell us almost nothing about the real state and direction of the economy, much less the individuals, government, structure, psychology, sociology, or evolutionary forces behind the numbers.

In addition, the relative success of economic models and data has allowed mainstream economists to largely ignore the philosophical positions behind their methods. Mainstream economic theory today uses two main philosophical positions to underpin its methodologies, empirical realism, and three-fold individualism. This next section will explain both positions and the arguments for and against them.

### 3.2 Arguments against empirical realism and three-fold individualism

In order to understand why mainstream economics operates as it does, it is critical to understand the philosophical theories that underpin it. The first philosophical position is called empirical realism. In his (2007) work, Norman Blaikie defines empirical realism as a philosophical perspective that focuses on observable, empirical data as the foundation for scientific knowledge. Data collection identifies constant conjunctions in economic events and experiences to ascertain regularities and predict future trends. Blaikie argues that empirical realist methods add to scientific knowledge because it focuses on observable and measurable phenomena, and the data can allow more accurate prediction of future events and experiences. Therefore, mainstream economics today focuses on empirical data with which it attempts to predict the future.

The second position is a lens of three-fold individualism which guides mainstream economic thought. The concept of methodological individualism was first introduced by Joseph Schumpeter in 1908, and it has evolved so that presently, the lens of the three-fold individualism rests upon the following:

- Ontological Individualism: The belief that social phenomena can be entirely explained by the actions of individuals.
- Methodological individualism: The practice of using individual actions as the primary unit of analysis, albeit at the aggregate level.
- Epistemological Individualism: The assumption that knowledge about social phenomena can be derived solely from the understanding of individual behavior.

Although most mainstream economic theorists do not discuss either empirical realism or three-fold individualism, it is self-evident by looking at the aggregate data or statistics used by mainstream economists such as GDP, employment data, or market data that most of the metrics are simply an

aggregate of individual actions, albeit a very large aggregate, with often no explanation of what is behind the numbers, or only guesses at the factors leading to the outcome data.

There are many arguments against these philosophical underpinnings, and the first two are regarding the empirical realism underpinning. The first is from Fleetwood (1996), who argued that mathematical economics uses an empirical realist perspective without fully considering the ontology from whence the data is emerging or what mechanisms might be causing it. The second argument is from Lawson (1997), who also argued that there is a need for a deeper understanding of the structures and mechanisms that drive the economic phenomena from which we derive our data. He said that without understanding the ontological aspects behind the data, the predictions based upon it will not give us a comprehensive understanding of true economic conditions.

The next critiques are against the three-fold individualism of mainstream economics. Hodgson and Fleetwood challenge the reductionist nature of this three-fold individualism and argue for a more nuanced understanding of the individual's role in the broader social and economic context.

Hodgson's critique of methodological individualism is based upon three main factors. First, Hodgson argues that methodological individualism is inconsistently applied because it lacks a clear definition, therefore the term goes between a reductionist emphasis on the role of individuals on one end and a similarly reductionist emphasis on interactions and relations between individuals at the other end. Second, he argues that the concept of methodological individualism is inconsistently applied because there is conflation between ontological individualism and methodological individualism, or the fundamental nature of social reality and how we study it. Third, Hodgson argues that explaining social structures purely through individual actions using epistemological individualism fails to account for the feedback loop between social structures and interactions that influence individual behavior.

Fleetwood extends Hodgson's critique, stating that the fundamental issues with neoclassical economics lie at the meta-theoretical level. These include the emphasis on mathematization and mathematical modeling of economic phenomena, and a commitment to viewing social reality as causal-historical or causal-processual. He asserts that these two assertions fail to reconcile because the causal historical view often conflicts with a reliance on mathematical models.

Fine (1999) also argued against the methodological individualism inherent in mainstream economics, stating that current orthodox economics had created its own domain where it was examining economics independently of social relations.

This allowed the discipline to develop its own peculiar method, certainly from the perspective of other social sciences. Its concepts, such as production functions and utility, have been ahistorical and asocial even if applied to the capitalist era. The economy has been perceived as a model along engineering lines, susceptible to analysis in purely mathematical terms. The separation of the economy from society has involved the excision of social relations and structures, with the embracing of methodological individuals in which macro-outcomes are perceived to be the consequence of the aggregated behavior of atomized and optimizing agents (Fine, 1999, p. 144).

Fine continues on to state that the orthodoxy had adopted the central concept of equilibrium analysis and econometrics. The combination of separation from society and specialization of mathematical analysis, as well as specialist journals to report them, had driven economics away from other social sciences in terms of methodology and assumptions, making interdisciplinary studies almost impossible. He argues that although there have been attempts by economists to overcome this methodological individualism such as developing theories of the social structures on the basis of individual optimization or institutional

economics, it does not answer the question of when individuals would conform or not conform or how they fit into these institutions other than as robotic agents.

Both Thompson and Fine agree that the mainstream has methodological weaknesses which lead to explanatory weakness (Nielsen and Morgan, 2005). Nielsen and Morgan (2005) state the following:

It is a relatively uncontroversial point to state that mainstream economics appropriated from the physical sciences a basically empiricist methodology that seeks regular law-like principles of universal and essentially eternally applicable behavior pursued in a highly mathematically tractable way (Mirowski, 1989; Weintraub, 2002). These characteristics have formed much of the methodological critique of the manner in which the marginal revolution has subsequently developed (Nielsen and Morgan, 2005).

Nielsen and Morgan (2005) finish their paper with the argument that going forward, economics should not only deal with the scientific analysis of economics, but also the social and political aspects:

On a general level, economics should be empirical and rational, rather than reductively computational and statistical, investigating all aspects of economics, their organization, and consequences. As such, it cannot but deal with the historical, the non-universal, it cannot but be social and sociological, political, and politicized. As such, it cannot be moral yet need not be pejoratively moralizing, in the sense that it confronts and explores the economic problems of conflicted forms of social being – what are the human consequences of technology, what has affluence meant for social being, local and global, is poverty a derivative of affluence, what is economic growth (for)? In some respects, heterodoxy has shrunk from this challenge, miring itself in

methodological conflict that stands as an alpha to the mainstream's methodological indifference (Neilsen and Morgan, 2005, p. 72).

We can see many critiques of the philosophical underpinnings of mainstream economic thought and calls for a new methodology in economics. These critiques reveal the need for a more comprehensive approach to economic theory that includes the individual, but also considers the broader social and institutional world in which they live. The apparent problems with empirical realism and three-fold individualism motivated me to delve into the idea that we needed an alternative approach.

### 3.3 A new approach: Critical Realism

As discussed in Sections 3.1 and 3.2, mainstream economics has traditionally relied on a philosophical approach underpinned by empirical realism and three-fold individualism. While these lenses have provided certain insights into the economy, they fall short as a lens for capturing the complex, dynamic, and emergent nature of economic systems. Many scholars, including some cited above, have advocated for critical realism as an alternative lens with which to approach economic thought.

Fleetwood (1996) argued that Hayek in his later years was approaching a critical realist perspective. In fact, the writings of Lindahl, Hayek and Wagner are consistent in many ways with a critical realist perspective, especially in their recognition of emergent properties of economic systems and the importance of understanding how individuals make creative, reflexive decisions, as well as the influence of institutions those decisions.

In contrast to empirical realism, critical realism uses a layered and transformational ontology. Critical realism emphasizes not just the observation of economic phenomena, but seeks to uncover the underlying processes, mechanisms and structures that can allow the phenomena to occur in certain contexts. Therefore, this study is focused on utilizing the data to retroduce the 'deep' level of economic reality, and the mechanisms that are underpinning outcomes at the empirical level. This differs from

mainstream economics, because utilizing empirical realism means that it is not able to adequately explain current economic conditions in a way that accurately reflects reality and can be understood and acted upon.

Fleetwood highlights the fact that Hayek's philosophical perspective contributed significantly to his theories on economics. Fleetwood illustrates this when he shows that by the 1960s, Hayek had shifted from his purely constructionist perspective with individual 'opinions', 'beliefs', 'ideas', and 'attitudes' and began to discuss 'rules that govern action' and 'rules that people obey' (Fleetwood, 1995, citing Lawson, 1994). Fleetwood argues that this is Hayek's recognition of social structures operating outside of individual actions. From these two phrases, we can also determine that individual behavior is constrained by these external institutions.

The recognition of social structures existing transfactually and out of phase with events and actions enabled Hayek to have a more robust theory of economics and a better understanding of economic actions by individuals. For if social structures stand outside of individual conceptions of them, then individuals would have limited knowledge of them and their actions would be based upon this incomplete knowledge. This also led him to the understanding that the sum of the actions of a group would be more than the sum of their parts.

The pioneering work of economists such Lindahl, Hayek, and Wagner, and critical realists thinking outside the box such as Fleetwood (1996, 1999, 2002, 2013), Fleetwood and Hesketh (2010), Brown and Hesketh (2004), Hodgson (1997), McCloskey (1994), Tony Lawson (1997, 2003, 2009), and others, there is a path forward for economics to take a critical realist stance and attempt to see if it is possible to carve out some analytical techniques in the economics space that are closer to the complexity of economic reality.

Most of the early work on the use of critical realism in economics was theoretical, outlining the argument for a new methodology and its use in economics, but there are a few studies springing up that show



potential of its use in organizations. Although it wasn't in the economics space, it was Margaret Archer's *Social Origins of Educational Systems* (1984) which illustrated how critical realism could be used analytically on the level of a national system to uncover unique, deep, and meaningful findings. The unique and revolutionary holistic perspective she acquired using critical realism to evaluate the educational systems of England, Denmark, France, and Russia from the historical contexts of their creation was extremely impressive and offered unparalleled insight into the birth and evolution of these educational systems.

Armed with the knowledge that critical realism could be used analytically at the level of national institutions, it wasn't long before the book *Studying Organizations Using Critical Realism: A Practical Guide*, by Edwards, O'Mahoney, and Vincent (2014), came across my desk, which convinced me that I could successfully undertake this study on the contribution of the individual to the economy using critical realism. Several of the authors used critical realism along with various methodologies to study organizations, including Vincent and Wapshott (2014), whose method for the classification of mechanisms is utilized in this paper.

Given this foundation, this study will explore the power of the individual on the economic system in three nations using critical realism. Compared to the mainstream economics approach, critical realism itself is still relatively new, and its application to economics is still in its infancy. However, there may be much that it can offer to bridge the gap between our understanding of orthodox economics and the reality of the sociopolitical economy comprised of individuals making decisions. This section begins with what critical realism is, then explains the benefits it offers to this study.

Perhaps the most important argument for the use of critical realism in economics is that it is founded upon the premise that methodology should be serious – that its research and theory should explain and contribute to our understanding of the actual reality that exists in the world (Bhaskar, 2014, video min

6:30). That makes critical realism a potentially ideal solution for the methodological problems of orthodox economics, which as many authors have pointed out, explains little about the real world.

Tony Lawson (1997, 2003) began the argument for the application of critical realism in economics, agreeing with the current weak methodological state of economics, which he cites as a focus on mathematical-deductivist modelling and the application of such where it is inappropriate and lacks explanatory power (p. 3) According to Lawson (1997), the lack of econometricians to find enduring event regularities in their data, indicates that the socio-economic world is open, rather than closed (1997, 70; 1998, 357-60). In other words, “human systems sit somewhere between the arbitrary and the deterministic” (Nielsen and Morgan, 2005, p. 59). Lawson proposed the use of critical realism as an alternative ontology for economics as a more holistic way to underpin the analytical methods in use to make them more explanatorily relevant (Lawson, 2003, p. xix), or to underpin new interdisciplinary methods (p. xxiv).

Critical realism has this power because it makes use of an enhanced metaphysics, postulating that the world consists of transitive and intransitive dimensions. Positivism, and even empirical realism, treat the world as consisting of “observable atomistic objects, events and regularities among them, as of objects had no structures or powers, and in particular, no observable qualities” (Sayer, 2000, p. 10). Critical realism takes a more nuanced view of reality – there are transitive and intransitive dimensions to our knowledge of it. The intransitive dimension is the world that exists external to us, and the transitive dimension is our knowledge of it (Bhaskar, 1975). This fundamental understanding of the difference between believing that what we see is the underlying reality and believing that what we see is only our perception of an underlying reality, holds huge implications for research in the social sciences, and it is almost entirely the difference in perspectives between the empirical realism of orthodox economics and the critical realist view of the *spontaneously self-evolving economy*. Critical realism invites researchers to

move back and forth between studying the transitive world and developing descriptions and theories and looking for the underpinning mechanisms and structures in the intransitive world.

Bhaskar (1978, 1979, 2010) took this idea of transitive and intransitive dimensions and developed a stratified ontology for critical realism which includes three overlapping but ontologically differentiated domains: the empirical, the actual, and the real. The *empirical* is the domain of our experiences, observations and perceptions which we can study and are the focus of empirical realism. The actual domain includes events and actions, it is the domain that occurs when powers in the real are activated, along with their subsequent consequences. The *real* is the fundamental reality that exists beneath the surface of what we see, all of the objects along with their potential structures and powers.

It is the stratification of the domains of the real, actual, and empirical, which allows us to understand that there is an underlying structure to reality, and to seek the powers and mechanisms of those structures that might not be readily apparent upon first empirical investigation. One reason for this is a time lag or time differential between the levels (Fleetwood, 1996, p. 733). Yet through careful analysis, we can hypothesize the effects of powers and mechanisms operating in the real and actual domains by observing their effects.

Figure 3.3-1. Layered ontology of critical realism.

Domain	Entity	Timing
Empirical	Experiences Impressions Perceptions	The three domains are usually out of phase with each other; there may be a time lag between them moving either upwards or downward.
Actual	Events Actions	
'Deep'	Structures Mechanisms Rules Powers Relations	

It is this stratification of domains that enables critical realism to be both a philosophy of science and of social science because we can go from the measurable to retroduce the immeasurable. It consequently bridges the methodological gap beautifully for economics, where a focus on measurable data often means the social, relational, and institutional side is missing. Other authors have commented with a similar viewpoint, with Reed (2009) stating critical realism bridges positivist and constructionist ontologies.

Finally, critical realism is also ideal for use in this study due to its belief in the world and the economic system as an open system with emergent properties. We can see how this open system emerges from and through the three domains above. This is also the same underlying philosophy as that of the three reflexive economists and the combined reflexive framework, where the economy is emerging through the actions and interactions of the individuals within it.

It is important to note that although authors have argued theoretically for the use of critical realism in economic studies, I have found no other papers which have used it in practice to study an overall economic system. There are papers which examine single institutions, but this will be the first study to utilize critical realism in the examination of an economic system, and the role that individuals play in that system. Therefore, this thesis aims to break new ground with an innovative approach using critical realism to investigate the role of individuals within an economic system in order to answer the following research questions:

1. What are the key mechanisms that drive how individuals decide to contribute to the economy?
2. What is the impact of individual decisions in evolving the economy?

#### 3.4 Interview overview and design rationale

Since this was an exploratory study, the target population for the interviews consisted of a diverse group spanning Korea, the UK, and the US, as well as different generations with different work experiences. I wanted to interview people who were in university, new to the workplace, and experienced in the workplace as well as government officials to inform me of their perceptions of working in the economy, and how they feel that they as individuals or graduates contribute to the economy. Participants included university students, university employees, industry professionals, and government officials.

The sampling was purposive, matched samples from specific generational cohorts and educational and professional backgrounds between countries. For example, three university students in Korea were matched by three in the UK and three in the US.

Interviews were conducted using a semi-structured format, allowing the in-depth exploration of the topics at hand while also providing enough flexibility for me to follow new leads as they arose in the conversation.

Question design was a complex and evolving process. University students were necessarily asked different questions than industry professionals, and university employees were asked different questions than government employees. Questions also evolved between round one and round two, including insights gained from earlier interviews, as explained below.

The first set of interviews commenced in the fall of 2021. The original plan was to go to Korea and the UK to do the interviews in person. However, due to the COVID-19 pandemic, my travel plans were hindered, so interviews were conducted via zoom. There was quite a time difference, so I interviewed most Koreans at 10 pm Korean time, which was 4 am central US time. We didn't require a translator because their English fluency was adequate, although some of the Korean interviewees (especially students) took a bit of time to adapt to the interview process in English.

My eighth interview was with a millennial in Korea who had only been working in industry for three years since her college graduation. The social landscape in Korea she was describing was completely different than the one I had left only a few years before; students' attitudes toward university, the workplace, and work itself had undergone a remarkable transformation. In addition, she discussed how Koreans were being influenced by social media, and more recently, Covid-19. It turned out to be a lucky break for me because I had not planned on interviewing too many students as I was more concerned about graduates in the workplace.

Upon reflection on the first set of interviews, I found interviewees of all ages had discussed these changes, also commenting on the shift in attitudes among the younger generations. Therefore, I decided to focus on the younger generations in the second set of interviews to capture more of this perspective and find out if it was just in Korea, or whether this was a broader shift. The second round in the spring of 2022 focused highly on current students and recent graduates, giving a total of three millennials from Korea, three from the UK and three from the US. These four generations tended to collapse into roughly two

categories due to their time on the job and the mechanisms they described: Baby Boomer/GenX and Millennial/GenZ.

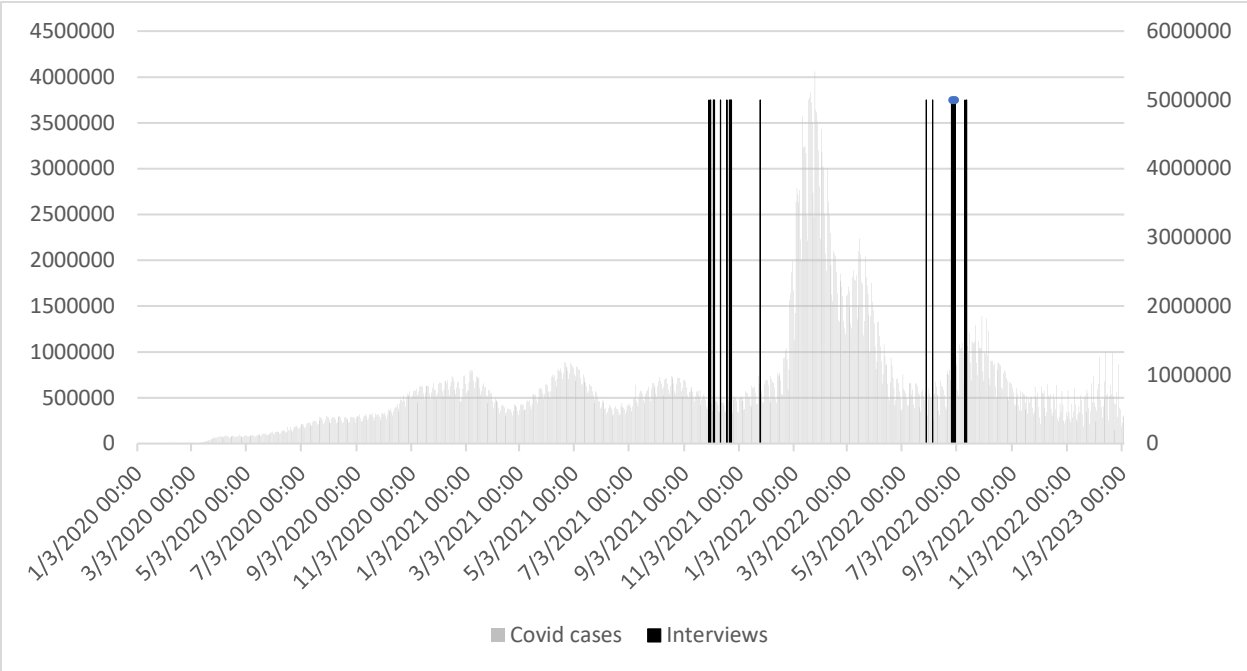
Table 3.4-1. Overview of interviewees and interview schedule.

	<b>Position</b>	<b>Country</b>	<b>Generation</b>	<b>Date</b>
<b>1</b>	University employee	KOR	GenX	9.30.21
<b>2</b>	Industry 3 yrs.	US	Millennial	9.30.21
<b>3</b>	Industry	US	GenX	10.02.21
<b>4</b>	University lecturer, former industry	US	GenX	10.05.21
<b>5</b>	Industry; former University & Government	KOR	GenX	10.06.21
<b>6</b>	Industry	UK	GenX	10.13.21
<b>7</b>	Government, former industry	UK	GenX	10.20.21
<b>8</b>	Industry 3 yrs.	KOR	Millennial	10.23.21
<b>9</b>	Government official & university lecturer	KOR	GenX	10.25.21
<b>10</b>	Government; former industry	US	Baby Boomer	10.25.21
<b>11</b>	Industry; former university	US	GenX	11.26.21
<b>12</b>	Government	UK	GenX	5.30.22
<b>13</b>	Student	US	GenZ	6.6.22
<b>14</b>	Student	KOR	GenZ	6.27.22
<b>15</b>	Student	KOR	GenZ	6.28.22
<b>16</b>	Student	UK	GenZ	6.28.22
<b>17</b>	University employee	UK	Baby Boomer	6.29.22

<b>18</b>	Student	UK	GenZ	6.29.22
<b>19</b>	Student	UK	GenZ	7.1.22
<b>20</b>	Student	US	GenZ	7.12.22
<b>21</b>	Student	US	GenZ	7.14.22

One thing to note is the timing of the interviews to the overall pandemic. The pandemic was well underway at the time of the first set of interviews. Covid-19 was still being thought of as a passing occurrence in many people’s minds and in government policy. But by the second round of interviews, Covid-19 was seen as the ‘new normal’ or an enduring phenomenon. Although not specifically the focus of this study, the timing might have had a subtle impact on how interviewees thought about the economy and their contributions to it. The timing of interviewees is plotted against the number of Covid-19 cases in the figure below.

Figure 3.4-1. Timing of interviews versus the number of Covid-19 cases.





### 3.5 Ethics

The research was approved by the Lancaster Research and Ethics Committee. Consent forms were generated and approved as part of the approval process, shown in Appendix A. Each of the interview participants signed the Ethics form. Individuals are not identifiable in the fieldnotes, audio-recordings, or transcripts. All recordings have been removed from the networks (Teams and Zoom) and saved in a password-protected file available only to the researcher.

### 3.6 Classifying causal mechanisms – Norms and Configurations

Data analysis was formally conducted through interviewing, transcription, and coding. I originally coded the data from the first set of interviews into Excel and printed it out so I could arrange quotes easily and discover themes. A snippet of this process is shown in Appendix C. After finding the main themes, I switched to NVivo for the rest of the process. NVivo allows researchers to organize data by coding, looking for various themes and extracting subthemes.

I classified how these themes functioned as causal mechanisms within the data using the critical realist framework for classifying causal mechanisms developed by Vincent and Wapshott (2014). This framework builds upon the work of other critical realist authors, Elder-Vass (2010), Taylor and Bain (2003), Barker (1993), and Muller (1999) and Thompson (2003). It creates an overall classification framework of mechanisms that include upwards and downwards causation from individuals to institutions and institutions to individuals, classifying them as either normative or configurational.

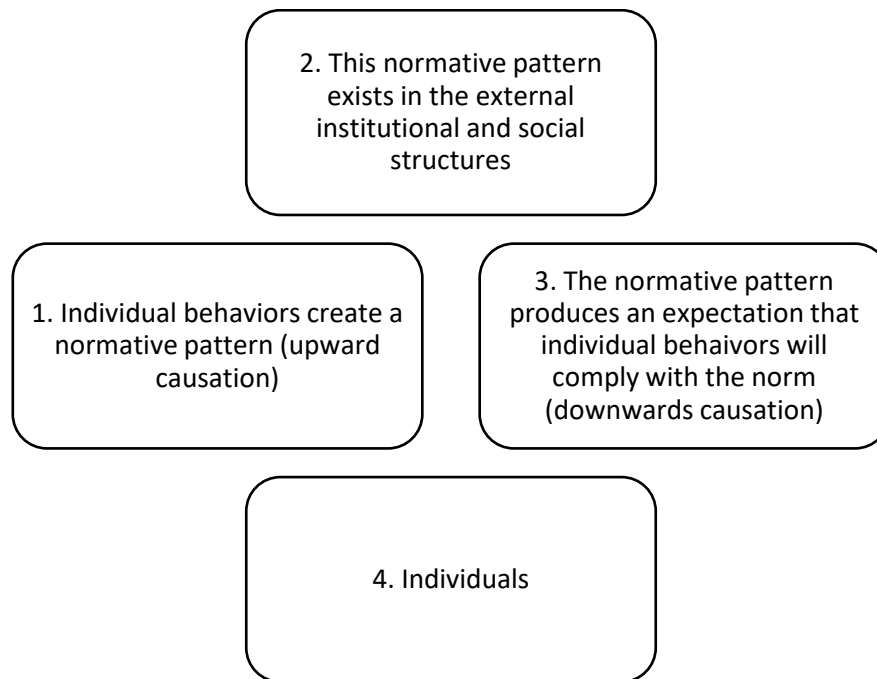
#### 3.6.1 Norms

Vincent and Wapshott (2014) state, “Normative powers and potentials are produced by persistent patterns in the activities of individuals” (p. 152). For instance, highlight patterns of absenteeism or turnover in the workplace as being norms produced by individual behaviors.

In this study, an example of a norm would be an enduring pattern mentioned by all three generations of older workers—the millennials and the GenX and Baby Boomers—regarding younger employees coming into the workplace. They noted an enduring change in expectations and behaviors, with younger employees expecting to be treated as equals from day one and acting in accordance with that expectation. This is an enduring pattern because it is mentioned by all three age groups, across all three countries, and over time, that enduring pattern becomes a norm. There are also normative patterns that only exist within one country or one age group.

While norms are the outcome of individual patterns, they can also produce downwards causal effects on the individuals in the system, which creates a feedback loop. So they are caused by individual patterns, and then they in turn influence individual behaviors. Please see Figure 3.6.1-1 below.

Figure 3.6-1. Example of a feedback loop between individual behaviors and institutional and social structures.



As we can see in the figure above, in upwards causation, individual behaviors can affect the institutions and wider social structures. An example of this would be if the pattern mentioned above of younger

employees expecting to be treated as equals causes change in the wider economy where businesses start implementing systems to utilize younger workers as parts of work teams rather than as interns.

We can also see that institutional and social structures can affect individuals through downwards causation. Downwards normative causation involves transformations or pressures from the institutional structures which function to alter or constrain the actions of individuals. An example of a downwards normative causation mechanism found in this thesis is social media. The widespread influence of social media is transforming how individuals view the workplace and work itself, causing many to make different decisions than they might have made without its influence.

One might ask why I am using norms since this thesis is intently focused upon the individual. Durkheim (1974) gave two strategies for norms: either to see them as collective representations, or to see them as individual representations. Both collective and individual strategies presume that individuals enact certain practices because of the normative beliefs they hold about the wider society, and that standardization arises from these norms being shared by others. However, the collective strategy argues that the normative beliefs must be shared over a community and individuals are parts of the collective representation of these beliefs, while the individual strategy argues, “normative beliefs are only causally effective as items of knowledge or belief held by individual human agents” (Elder-Vass, 2010, Ch. 6, p 5).

The thesis uses Durkheim’s latter strategy, arguing that norms are individual representations and are only effective when individual agents hold them and choose to act accordingly. In arguing against the collective view of norms, it must be stated that before the advent of widespread technology and social media, it was perhaps easier for Durkheim (1952) to discuss social norms as part of the community in which individuals lived and worked, reinforced by other members of the norm group. Durkheim (1984) gave examples of society, occupation, religion, and family as different types of normative collectives. It was perhaps easier to argue that while individuals held beliefs, they were only part of the community, and it

was necessary to have the community structure for norms to be exercised. Last, it was easier to argue that commonality of social practices are not the effects of individuals norms and values, but only by the commonality of those norms and values across the community.

Together, Durkheim's individual norm strategy in combination with Vincent and Wapshott's (2014) framework enable us to have a more nuanced understanding of norms than traditional views which might see them more along the lines of cultural rules or regulations. This approach allows us to recognize the complexity of norms, viewing them as emergent properties of the economy, with both their formation and their propagation influenced by a variety of individual and interactive factors.

We can see individual norms in the economy today in phenomena such as the "Great Resignation", "Lying Flat", or "Quiet Quitting". The "Great Resignation" can be briefly defined as a voluntary mass exodus from the workforce, especially among older workers who were able to retire early. "Lying Flat" can be described as rebellion against work through non-participation in the workforce and is seen especially among younger workers. Lastly, "Quiet Quitting" is a rebellion against work by those still in the workforce, evidenced as a subtle disengagement from work and a desire to do the least amount of work possible.

These phenomena are springing up within and across nations, with people demonstrating those beliefs although they might know no one in their community or real-world life who shares these beliefs. These normative communities come closer to what Anderson (1991, p. 6) called imagined norm circles. In imagined norm circles, most individuals don't see most of the others in the community, and are left to imagine the extent, size, and boundary of the circles. Individuals are finding norm communities of their peers online, in other cities and even across the globe, making it more relevant and more important to understand how these individual norms emerge and change through time, how they reflect the normative expectations of the various generations, and how these norms appear as reactions to mechanisms and serve as examples of normative powers and potentials in action.

A second reason for focusing on these individual norms is that they can help to shape societal culture and guide individual and collective behaviors. With social media, they can spread like wildfire if they begin to trend. Recognizing their complexity and dynamism can help us to understand the interplay between individuals and the economy.

Lastly, critical realism emphasizes finding explanations for behavior that is occurring or has already occurred, so focusing on these phenomena which have occurred over the last five years and are still ongoing is consistent with the philosophical underpinnings of critical realism. These phenomena provide a snapshot of norms in flux, a good starting point for analysis.

Much of the conversation around norms falls to their enforcement. This is due to the tension between upwards and downwards normative mechanisms. Downwards normative mechanisms tend to be prescriptive, illustrating what the wider economy expects from individuals. Upwards normative mechanisms are based on what individuals want to do, and the difference between upwards and downwards normative mechanisms causes tension in society. This is illustrated today in groups of young people breaking away from the traditional economy despite the norms that exist to keep them within it. In the US, there are mainstream media outlets, social media personalities, and other famous people who have come out asking the youth not to 'Quiet Quit' their jobs. The CCP in China has come out banning "lying flat". Many parents and employers are at a loss trying to enforce traditional norms.

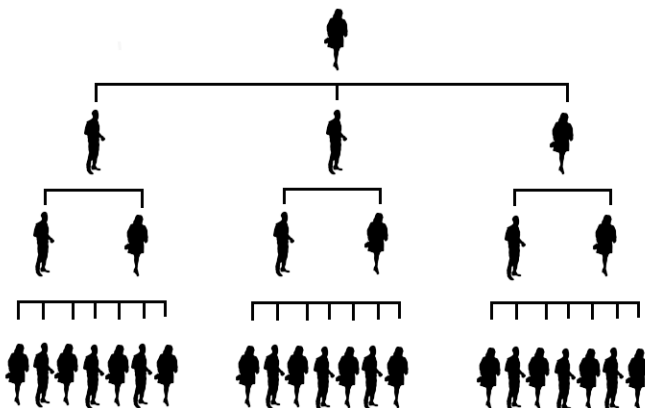
### *3.6.2 Configurations*

In addition to normative powers and potentials, the Vincent and Wapshott (2014) classification system also recognizes configurational powers and potentials. Configurational powers, according to Elder-Vass (2010), are causal mechanisms that emerge from the spatial distribution of people within an organization or system. While norms are patterns of behavior coming from individuals and emphasize individual agency, configurational mechanisms are properties of the system and emphasize collective structure and

how that influences individual actions. For example, a study by Thompson in 2003 showed that within ‘financialized economies’, the competition for employment and advancement is not shaped merely by the efforts of individuals, but also by the broader organizational and market configuration, which dictates opportunities and constraints. We will see some of these opportunities and constraints at work in Chapter Four.

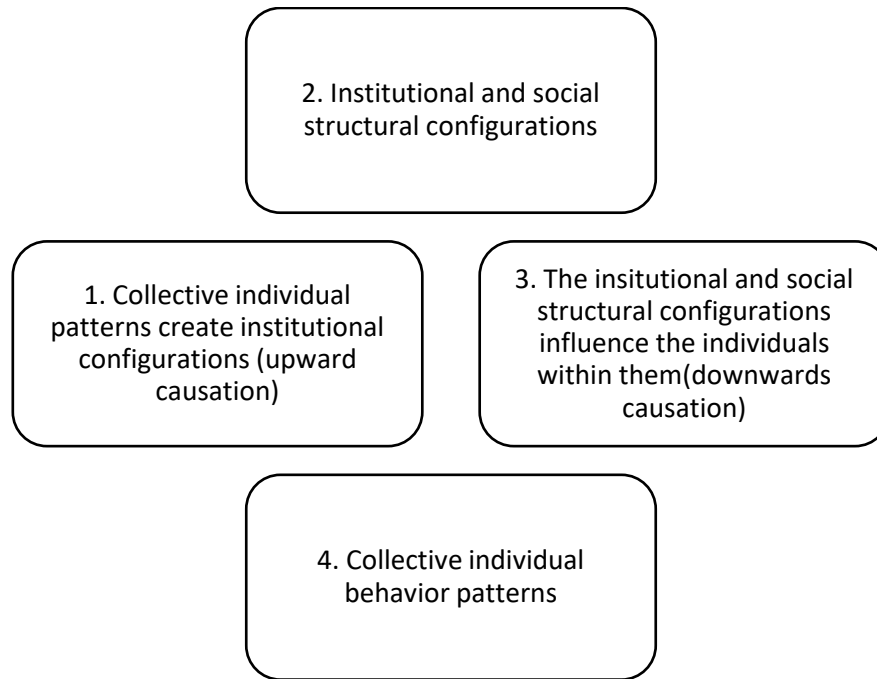
A relevant illustration of the constraining effects of institutional configurations is the traditional model of a corporate hierarchy, shown in Figure 3.6.2-1 below. It is evident that at every level, fewer individuals are able to move up through the ranks to higher positions, regardless of age, skill, or any other factors, simply because the institutional configuration is already set.

Figure 3.6-2. Generic layout of an institutional hierarchy.



Similarly to norms above, configurations are both the outcome of collective individual actions at the system level, as well as a causal mechanism that will in turn influence the individuals within it in a feedback loop.

Figure 3.6-3. The feedback loop between collective individual behavior patterns and institutional and social structures.



### 3.6.3 Altering the Vincent and Wapshott framework

There are two differences between the framework used in this thesis and the original framework devised by Vincent and Wapshott, and this section will explain them.

The first difference between the Vincent and Wapshott (2014) study and this study is that their model focuses on norms as being produced by decisions and this model focuses on norms being produced by behaviors. There are several differences between decisions and behaviors that make it more expedient to use behaviors in this study. First, there is a time lag between decisions and behaviors. Someone may decide to leave their job, but it may take six months for them to find a new job and actualize the decision. People may also discuss their decisions before they act, with others in their community or on social media, and then follow through with the behavior or not if their plans change. Translating this into the labor market, there is an estimate that 75% of people worldwide hate their jobs and have no problem deciding to leave if something better comes along, but a large majority may never take proactive steps to change

their fate. On the other hand, if an unexpected job offer comes along, perhaps more people than expected would go for the new opportunity. The secondary data for this study is based upon behaviors that have already happened. A last reason for using behaviors that have already happened is that critical realism tends to focus on explanations for behavior that is happening or has already happened, so this is more consistent.

A second difference, which might seem minor but becomes important later is that I switched the rows to put downwards mechanisms on top, and upwards mechanisms on the bottom. In this way, it is much easier to see how downwards mechanisms and upwards mechanisms are pushing against each other.

Table 3.6-1. Illustration of mechanisms adopted from the Vincent and Wapshott (2014) study.

	<b>Configurational Mechanisms</b>	<b>Normative Mechanisms</b>
<b>Downwards Causation</b>	<i>Downwards Configurational Mechanisms</i>	<i>Downwards Normative Mechanisms</i>
<b>Upwards Causation</b>	<i>Upwards Configurational Mechanisms</i>	<i>Upwards Normative Mechanisms</i>

In conclusion, this research focuses on finding and classifying mechanisms and examining individual norms in accordance with the critical realist philosophy and the Vincent and Wapshott (2014) method.

### 3.7 Conclusion

This chapter has laid out the argument for a new methodology in economics, due to the recognized limitations of mainstream economic theory. Mainstream economics, underpinned by the philosophical positions of empirical realism and three-fold individualism, has been criticized by authors for its limited explanatory power and oversimplified view of economic phenomena. Some authors have argued that



critical realism could provide a useful methodology, but there is a scarcity of studies where it is put into practice.

I have argued that the methodology of critical realism is well-suited for this study and provides a solid theoretical foundation for the works of the three reflexive economists, Lindahl, Hayek, and Wagner. Critical realism focuses on underlying structures and mechanisms, as well as the interaction between individuals and economic structures or configurations. This methodology not only allows for a deeper exploration of economic systems but also provides a framework for examining the role of individual agency within these systems.

This study also incorporates the Vincent and Wapshott (2014) framework for the classification of upward and downwards normative and configurational mechanisms within the data. These mechanisms are essential for understanding how individuals both interact with and are influenced by economic structures.

Through this approach, this study aspires to contribute to the field of economics by providing new insights into the relationship between individual agency and economic evolution. By focusing on the interplay between agency and structure, this research hopes to enhance our understanding of the role of individuals in shaping economic systems, and enhance our understanding of the complex, dynamic nature of the economy.

## 4 Downwards configurational results, or *downwards economic constraints*

This chapter contributes to addressing the first question of the thesis: What are the key mechanisms that drive how individuals decide to contribute to the economy? The insights in this chapter were brought forth using a modified version of the analytical framework developed by Vincent and Wapshott (2014), and this data specifically focuses on perceived downwards configurational mechanisms, shown in the top right box of mechanisms in the chart below.

Downwards configurational mechanisms refer to the pressures individuals perceive due to the configuration, i.e. the institutional layout or framework, of the economy. For this reason, I refer to them as *downwards economic constraints* in this paper. This includes the perceived requirements that individuals must meet to fit into institutional structures, such as the necessity of attending a higher education institution before looking for certain types of jobs. Additionally, this includes the perceived competitive nature of job candidate selection, where many candidates vie for one job, followed by competition for promotions to a decreasing number of positions as one rises up the hierarchy. Furthermore, the spatial distribution of individuals is perceived to impact factors such as job flexibility and the structure of where, when, and how to work. These reported downwards configurational mechanisms can put pressure on individuals at all times in the career process: including when seeking, starting, continuing, quitting, and changing jobs.

Table 4-1 provides an illustration of the mechanisms adopted from the Vincent and Wapshott (2014) study, categorizing them as normative and configurational mechanisms. Downwards mechanisms, originating from institutions and affecting individuals, include downwards normative mechanisms in which influences from the system exert downward pressure on individuals, and downwards

configurational mechanisms, which involve the spatial distribution of individuals in the economy and may cause individuals to consider leaving their jobs, or not obtaining one in the first place.

Table 3.7-1. Illustration of mechanisms adopted from the Vincent and Wapshott (2014) study.

	<b>Configurational Mechanisms</b>	<b>Normative Mechanisms</b>
<b>Downwards Causation</b>	Downwards Configurational Mechanisms	Downwards Normative Mechanisms
Upwards Causation	Upwards Configurational Mechanisms	Upwards Normative Mechanisms

Since all three countries are capitalist, industrialized countries, it was anticipated that interviewees from all three countries would mention some of the same types of *downwards economic constraints*. When analyzed, these reported mechanisms roughly fall into four categories: pre-job mechanisms, on-the-job mechanisms, wider economic mechanisms, and the impact of the Covid-19 pandemic. The pandemic has exacerbated the perception of some of these mechanisms, and interviewees mentioned some new perceived mechanisms introduced by the pandemic, such as changes in socialization, formalized communication, stress, higher taxes, fewer business trips, and increased flexibility, which most viewed positively.

The quotes show that these perceived *downwards economic constraints* impact how individuals feel about their contribution to the economy, reportedly subsequently influencing the decisions they make. In later chapters, the data will demonstrate that these perceived *downwards economic constraints* also influence perceived downwards normative mechanisms and perceived upwards normative mechanisms, creating a reciprocal influence on both individual decisions and individual interactions within the economy.

#### 4.1 Pre-employment *downwards economic constraints*

The first types of mechanisms that individuals experience when trying to decide how to make a contribution to the economy, particularly when attempting to do so for the first time, are pre-employment mechanisms. Pre-employment mechanisms include perceived educational requirements one must attain to gain employment in his or her desired field, as well as the pre-employment process one must undertake to gain a place including factors such as the amount of competition one has and the number of interviews.

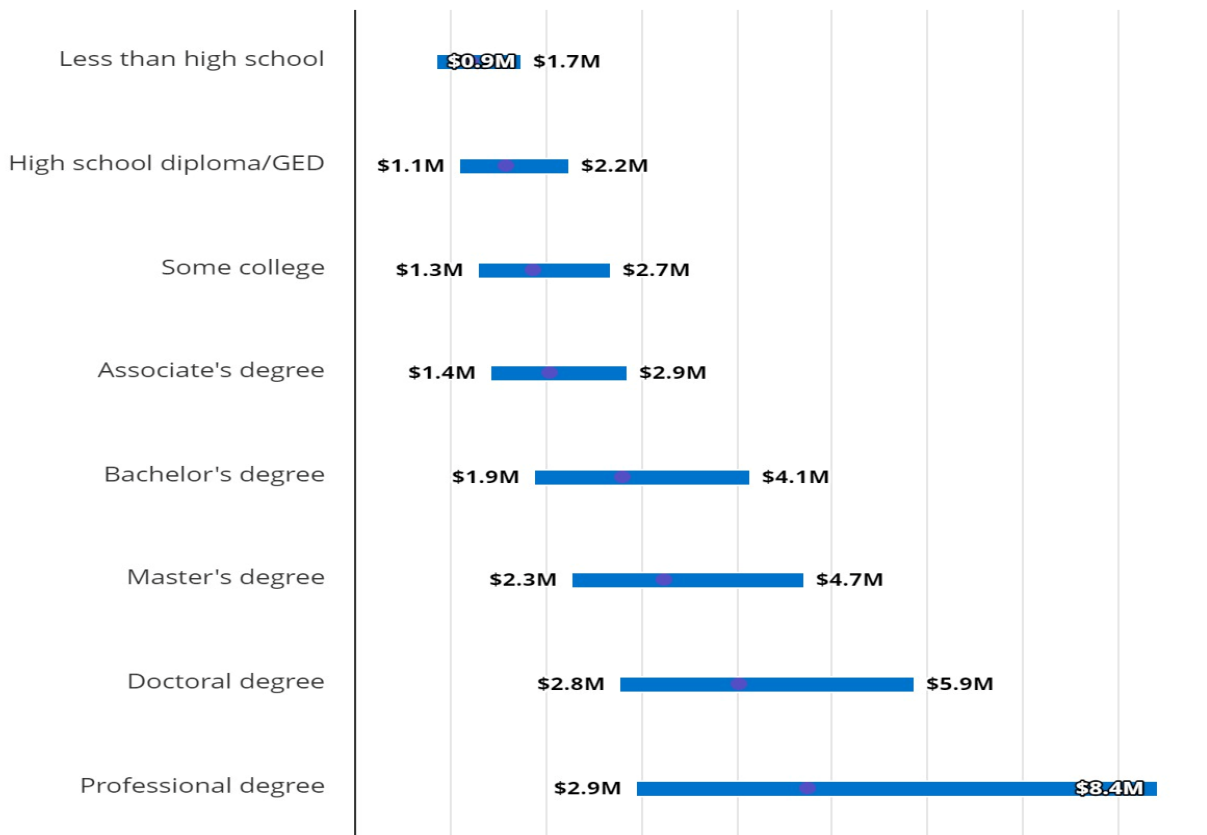
These perceived pre-employment *downwards economic constraints* are extremely important because they put downward pressure on individuals even before they acquire a job. For example, the perception of excessive downward pressure can discourage individuals from acquiring a job, either through forcing individuals to take higher education, or through preventing individuals from getting jobs because there is too much perceived competition. This section explains both of these mechanisms and gives quotes and opinions from the interviewees.

##### 4.1.1 *Getting a degree*

As individuals step into industry to begin their economic contribution, they may perceive their first downwards configurational mechanism: the necessity to obtain the relevant degree qualifications for their desired employment positions. The perceived burden of obtaining a degree has grown over time as the cost of a degree has risen. In the U.S., the reported cost of a degree has risen from an average of \$10,231 in 1980 to 28,775 in 2020, a 180% increase (McGurran, 2023). In the UK, tuition was free for students in 1980, until it rose to £1000 in 1998 and has risen several times since to £9000 in 2012, finally capping at £9,250 in 2017 and remaining the same since. In South Korea, average cost was 649,000 KRW (\$1118.96 USD) in 1980 (Park and Weidman, 1999), and finally 6,760,000 KRW (\$5178.16 USD) today (MOE, 2022).

In addition to the cost, there are growing concerns in the minds of youth and parents as to whether the degree imparts knowledge and skill relevant to jobs in industry, and whether possessing a degree can guarantee favorable job outcomes. One example is the study below from Georgetown University. The study shows an overall increase in earnings as one goes up the educational ladder. However, it also shows that at least one quarter of high school graduates earn more than an associate degree holder, and one quarter of bachelor's degree holders earn more than half of workers with master's degrees or doctoral degrees (Georgetown, 2019).

Figure 4.1-1. Lifetime earnings by educational attainment (Georgetown, 2019).



Therefore, in addition to the simple necessities of obtaining a degree and competing for a job, there is also another downwards configurational mechanism affecting individuals in the market: the inconsistencies between the degree-to-employment paradigm and the practical realities of the job

market. This section will illuminate two of those mechanisms: the credential-skill disparity, the credential-job disparity.

#### 4.1.1.1 The credential-skill disparity

Conventional wisdom would have people believe that better universities produce better graduates, and those graduates tend to get the best jobs. In all three countries, people perceived that graduates from better schools tended to get the best jobs, but they did not agree that graduates from better schools had better job skills, or even that graduates had better job skills than non-graduates.

In Korea, interviewees commonly reported that getting jobs hinged upon obtaining a degree from one of the best universities. One Korean interviewee noted:

...in Korean society they want the university's name and ranking. They are not real things. But fortunately, I graduated from Chung-Ang University, which is located in Seoul, so it is kind of a top 10 university in Korea, so for me, getting a job was very easy in my case. That's my opinion. – Interviewee 1, KOR, university employee

Interviewee 1, who graduated from a top school in Korea, also expressed the perception that it was extremely easy for him to get a job compared to how difficult it is for the graduates from the university he works at today.

A participant from the UK expressed a similar sentiment:

The same percentage of our students are going into graduate jobs. This year's went in. Last year's went in. The year before. I think we're in a fortunate position, we're in the top ten, top fifteen in the UK where our students will always perform really well. – Interviewee 17, UK, university employee.

The quandary arises when interviewees discuss whether better schools produce more job ready graduates. A Korean working in industry remarked:

My coworker has a master's degree as interpreter at a very prestigious university, I think she got it from Macquarie. She said my skill is better than hers. But people can see me as less qualified than her because of the qualification on the paper. – Interviewee 5, KOR, industry – former university and government employee

In addition to the perception that better schools don't produce better graduates, interviewees also expressed the idea that a more prestigious degree did not necessarily mean the individual has better workplace skills. One interviewee stated that she doesn't believe her degree is giving her the practical skills she will need on the job:

My major is human resource management. I cannot say if I like it or not. I learned a lot from this course, but I'm not sure if it will help to shape my career future. – Interviewee 19, UK, Student

This sentiment was prevalent among interviewees, with many contending they had to learn most of their practical skills on the job, rather than formal education. This view is supported by the trend in the UK of companies offering graduate schemes which don't require any previous work experience:

I would say lots of students who get recruited on to graduate schemes who've just done basic retail or hospitality work, but it's much more about attitude and you know, good grades...very much these are people who are coming in with very little work experience and are developed then. – Interviewee 17, UK, university employee

Interviewees also expressed the understanding that employers aren't rigidly bound by graduates holding degrees in relevant fields. A telling example surfaced where an equity partner from a prominent UK firm expressed a preference for first-class graduates, regardless of major:

[The representative] basically said, "Look, all I want you to do is send every student in the university with a first-class degree in my direction and I don't care whether that's accounting and finance, religious studies biology or fine art. If they've got a first-class degree, I can train them to be whatever I need them to be. You just send me the first-class degree." – Interviewee 17, UK, university employee

The accumulation of these perspectives highlights what I have termed the *credential-skill disparity*. What emerges from this is that interviewees hold the perception that there is a disconnect in the realm of graduate employment, where neither industry relevant skills nor knowledge are vital for employment. Interviewees in all three countries acknowledged this discrepancy, highlighting a perceived shift in how qualifications are valued within the job market.

As students and graduates grapple with the question of whether their degrees truly give them the skills necessary to best the competition and perform in the workplace, there are potentially far-reaching ramifications, especially for students from mid-tier and lower-tier universities. This uncertainty can greatly affect their decisions and interactions on many levels in the economy, such as what types of job they apply for, what companies they apply for, and what salary expectations they hold based upon their perceptions of their own skills and their perceived value of their degrees.

This finding challenges one of the mainstream economic assumptions that individuals act solely as utility-maximizing agents and highlights the emergent and dynamic nature of economic interactions with economic configurations as proposed by Lindahl and Hayek as well as critical realism.



This inconsistency shows that individuals can and do interact with their environment and other individuals and these interactions might cause individuals to change their subjective opinions regarding their contributions to the market. These changes in subjective opinions might lead to a change in individual behaviors, or plans, as Lindahl and Hayek would have called them, and enough individuals changing their plans could then affect the macroeconomy.

The next section will illuminate a second inconsistency, the credential-job disparity.

#### 4.1.1.2 The credential-job disparity

Contemporary university students are increasingly perceiving that having a degree does not guarantee them a job worthy of their degree. This perception is often derived from first-hand experience or anecdotal accounts. Interviewees from all three countries were able to successfully articulate what they believe they are facing in the economy and their corresponding sentiments, reflected in the quote below:

I think most people think it's a crap shoot. They just know that they need it. It's like rolling the dice, I guess. They know if they get a bachelor's degree, it's not a guaranteed job like a lot of them have been taught. A lot of them have been taught that if you go to college you're basically going to be set for life. As long as you go to college and get the degree, everybody's going to be knocking down your door trying to give you a job. But that's just not reality at this point. So people think, well, I know that if I get a degree it will not necessarily mean, you know, that I will land this great job. But I know that if I don't get a degree I'm going to be completely screwed. – Interviewee 13, US, university student

There is a prevailing perception among students today that the job market has evolved and that their expectations may not match reality. Once again, this finding shows that individuals can and do interact with their environment and other individuals, and these interactions might cause individuals to change

their subjective opinions based on these interactions. When asked why they believed the job market is more difficult today, interviewees cited various factors that generally fall into two categories: job market tightening and oversupply of graduates. They perceived that this, in turn, leads to three potential outcomes: a more stringent application process, longer wait times for job placement, or potentially not acquiring a job at all.

By exploring the evolving realities of the job market and shifting graduate expectations, this section reinforces the arguments made in Section 4.1.1.1; namely that this behavior aligns with the core principle of the combined reflexive framework where individuals' relationships with the economic system emerge dynamically through interactions between individuals. We can see that as the interviewees perceive a change in market dynamics, results in a change to their individual perceptions, potentially influencing their behaviors regarding obtaining a degree or searching for alternatives.

This section has discussed the growing perception of the disparity between expectations regarding a university degree and interviewee perceptions of the job market. The next section will delve further into the idea of job acquisition as participants were asked why they believed job acquisition is becoming more difficult, and we will examine more findings that resonate with the *combined reflexive lens* used in this paper.

#### 4.1.2 *Difficulties in job acquisition*

A second type of downwards configurational mechanism that individuals can encounter falls under the heading of perceived challenges in the job acquisition process. Interviewees mentioned a variety of mechanisms including perceived lack of demand, oversupply of graduates, difficult application processes, and long wait times for jobs, which they felt could serve to keep graduates out of employment or delay their entry into employment. This section will explain these mechanisms in detail and offer relevant examples from the interviews.

#### 4.1.2.1 Lack of demand

Interviewees across all age groups share the perception that it has become increasingly difficult to obtain a job over the past couple of decades. Baby Boomers and Gen X individuals spoke anecdotally of easier job acquisition, while Millennials simply referenced anecdotes giving the idea that it was easier to get jobs in the past.

One interviewee in Korea noted the changing context in the overall economy:

I graduated from my university in 2005. At that time, the economy was really good so there were a lot of job opportunities at that time. But nowadays, it's not. – Interviewee 1, Korea, university employee

A second participant from the US expressed the evolving job market conditions:

I would say that it was competitive when I graduated, but I never thought that I wouldn't get a job. I knew I would get one somewhere, either through recruiters or my own initiative. ...I can't imagine being a graduate right now and trying to find any sort of high compensation job. – Interviewee 2, US, industry

The perception that job opportunities have declined was expressed in all three countries, with interviewees expressing the perceptions that there are fewer jobs to fill, and consequently, less demand for graduates and more intense competition.

I have an article, the transition from university to employment... This is considered the 'jobless generation'. The youth unemployment rate is 9.3% in 2021, but actually it's 23% with both unemployed and underemployed youth. – Interviewee 9, KOR, university lecturer and government employee

Interviewees in Korea mentioned that there has been a recent change in company hiring practices – they don't recruit graduates from universities as they did in the past.

Christina, in my college years, 1990s even 2000s, big companies toured good schools to get students even before their graduation. But now, it's not happening. ... There's more supply than demand. ... But the really good students really, really qualified good students, there's already certain position reserved for them, but yeah, it's not often. ... [There are] fewer jobs because businesses become smarter. You know, a lot of equipment facilities are replacing manpower. At the same time, with globalization, companies have capacity. Capital can be sourced from abroad. – Interviewee 5, KOR, industry employee – former university employee and former government employee

This perspective was echoed by another interviewee:

In those days, [graduates] were headhunted in their third or fourth year, so we just had to blindly graduate them. So, in that way, the market was absorbing them, so they didn't have to figure out what the market wanted because they were being headhunted. Everybody was getting jobs. But now, they have to figure it out for themselves – where I can find my niche, where I'm needed with my skills. – Interviewee 9, KOR, university lecturer and government employee

The perception of the competitive nature of the job market was emphasized by an investment banking major in the UK:

I tell you for a lot of people in general, it is very competitive now. Especially knowing that a lot of these investment banks aren't doing too well at the moment, so they're

going to be even more competitive in their selection process. – Interviewee 16, UK,  
university student

Another aspect of job market tightening interviewees mentioned is the perception of fewer internships,  
with fewer opportunities for graduates to gain experience:

When I first started, it seemed like my company was more willing to take on interns  
and give them shots, but I've barely seen any of those recently. I don't know if that's  
because we aren't getting interested interns, or the company stopped doing it. When  
I first started, there were always regular interns doing two or three weeks or a month  
to learn something. I think in healthcare it's harder to get kids excited to do that kind  
of thing, for sure. But in the last couple of years there's been no one. – Interviewee 3,  
US, industry

A UK student shared his experience trying to get an internship:

It's funny because myself, since September to February when I finished, I applied, I  
was looking for a summer internship. And I applied to 1000, no 1213 places in total.  
Because I have my like Big Excel spreadsheet on that. And from all of them I applied. I  
had a few internship [offers], a few interviews, a few processes, and everything. I  
landed my one. ...

But sometimes, we don't have the abilities and investment banks are looking for. JP  
Morgan for example, that they say you they have a summer internship of two months,  
but then the truth is you're included with master's students and with people that have  
been working a lot for a few years and they join the same as you. But their plan is to

stay there for longer. You can only be there for those months and you're competing against them. – Interviewee 18, UK, university student

In summary, interviewees from all three countries felt that the job market is getting more difficult due to lack of demand. Reduced recruitment, fewer internship opportunities and the competitive nature of the hiring process has contributed to the perception that the market is growing tougher.

#### 4.1.2.2 Oversupply of graduates

As with the section above where we saw changing perceptions regarding the necessity of obtaining a degree, this section illustrates that as interviewee perceptions of market dynamics shift, so do their perceptions regarding the difficulties of obtaining a job. Interviewees are already hinting that their behaviors are changing due to these changing perceptions, with participants applying for many more internships and jobs and working harder to discover their niches or where they might be successful in the market. This is consistent with the principles of the *combined reflexive lens*, where individual decisions and behaviors are interdependent with market dynamics. Although most interviewees did not explain it in these terms, here is a good example:

Because of the increased movement to get more and more people to go to college unfortunately the problem with that is the more people that you get to go to college the less valuable a college degree actually becomes. If everyone has a college degree then it becomes basically worthless, right? It's the whole supply and demand thing. – Interviewee 13, US, university student

There is a pervasive idea among interviewees that, in general, there is too much competition. Both students and graduates mention the uncomfortable feeling that they have to fight for a job, with competition starting even during their time at university:

I can't find the words, but, like my friends, when you graduated from university, it was easy to get a job. And also, it was easy to go into the university. But nowadays, going into the university is tough. Like, that's the start of your, like, too much competition. But after that, you have to fight others, like your classmates in the university. And after, you have to fight over a job. I think it has gone like, yeah, I think it is, the competition has gone up, for sure. – Interviewee 14, KOR, university student

It seems that regardless of industry, competition is tougher. When asked for their perceptions regarding the causes of increased competition, some interviewees believe it is due to social trends. Interviewees mentioned that too much competition arising in certain industries because students are crowding those industries. Majors like ICT have become common because those are where students think the jobs are, but it causes increasing competition for a still-limited number of jobs.

Over the last 20 years I've seen this big growth toward ICT, I've seen the drop in the number of recruits coming through the planning system, and as a result of that, what we now have across the industry are aging planners approaching retirement and not enough new planners coming through the education system. And the same applies to engineers, because I've recruited for two roles in the engineering team, and they are both middle-aged professionals. So, we're just not seeing the youth coming forward. So, we've got skills gaps across the traditional industries which is potentially a problem. Maybe five years down the line it will become a huge problem. – Interviewee 17, UK, university employee

In addition to flocking to certain industries, students are also flocking to certain types of jobs within industries and not casting a wide enough net when looking for jobs. Some of this could be because the case studies they run into at universities and the people they talk to tend to go for the same kinds of jobs.

For example, in marketing, students might believe they need to work for a marketing agency, rather than understanding that marketing majors can find jobs in almost any industry.

Yeah, I think I think I think part of that is to do with the way we teach our subject areas in the sense that if you're in marketing, the case studies you always use will be related to the big brands because you think, "Oh well, that's what the students will be able to relate to." So therefore, the students think all the jobs are with the big brands, when in fact only a very small number of jobs are with the big brands. If your case study had been with a bank, you know one of the biggest recruiters of marketing related people in the world - if a case that had been with a bank when people go, 'OK, well, actually I don't have to go and work in fast-moving consumer goods or the car industry whatever. I could go and work in a bank because like that's marketing too, isn't it?' So yeah, I think we're probably a little bit guilty of siloing the students ourselves. – Interviewee 17, UK, university employee

One university employee believed that sometimes students flock to certain jobs within industries because they are trending.

Too many people are following the same ideal thing because this is a thing we see, what we all want to be. If we... if you study finance then they want to be that in business or management, that investment banker that has worked for himself and now manages a hedge fund or is the CEO of a company, you don't have other like ideas. – Interviewee 12, UK, government employee

The perception that that students flock to industries that they believe are trending or industries they hear about at university aligns with the core principle of the *combined reflexive lens*, illustrating that individuals' relationships with the economic system is a dynamic and emergent outcome of the



interactions between individuals. This is also an argument against the idea that individuals possess perfect information about the market, since with more information about the wide variety of jobs on offer, individuals might make different decisions regarding choosing a major or what jobs to apply for rather than simply pursuing jobs that are trending in their classes or among their peers.

Regardless, participants reported the perception that the combination of lack of demand and oversupply of graduates in general and certain industries specifically is having an impact on the process of acquiring a job. Participants reported that application processes are getting more difficult and wait times for a job are growing. Those will be discussed in the next section.

#### 4.1.2.3 More difficult application process

Interviewees stated that they perceive the application and interview process for jobs is growing longer and more competitive due to an oversupply of graduates. One interviewee in the UK believed that job searching is more difficult because it has changed in nature:

I would say that it's been hard to job search, it's harder and harder every single time and every single year is becoming... every process is more complex, more difficult to understand and now I think it's way harder than before. I would say for example for my parents... from what he [my father] told me, his interviews were more of becoming the friend of the interviewer and the interviewer seeing you as a person with potential.

Now it's more of you don't only have to have that personal potential, you have to show it because before you get that interview, you're going to have to be assessed on your mathematics, your ability to understand language and everything. And that makes the process complex because if you don't have the first skill that is the mathematics and do all those different tests they do, you're not going to get the interview. You're not going to be able to show your relationship skills and maybe get a job because of how

well you talk rather than how well you do that exercise on that test, for example. –

Interviewee 18, UK, student

Another interviewee from Korea, stated that the number of steps and time commitment required limit the number of companies graduates can apply for, and made it much more difficult for her to get a job:

I prepared for a year to get a job, and it was really hard, because there are many steps – a minimum of four steps to get a job with a large company like Samsung or LG. ... Like, we have a test about issues in South Korea like economics and like math, or Korean language. And then we have interviews, and that has three steps – like a group interview and then individual interview or presentation interview, and the final thing is an interview with a CEO. So that is the four or five steps to get into the job. It took like 2 to 3 months for like one company. I think [I applied for] 12 in a year. –

Interviewee 8, KOR, industry

A few interviewees in industry mentioned that AI is being used to scan resumes and applications before one can even begin the application process, giving them the perception that it is more difficult to get a job unless the resume matches specific keywords the employer is looking for.

They're just ticking boxes. And now even more so, they're actually using AI to wade through, and if your CV has particular terms it's going to work in your favor. If it doesn't have that, then... - Interviewee 6, UK, industry

Interviewees also mentioned that competition is more difficult because with online jobs, now companies have a worldwide base to recruit from. This interviewee mentioned it is difficult to know how to compete effectively against people from other countries:

My direct answer will be the less you know about your opponents, the worse you are, because in the end, like if you are able to know your competency, you're going to be able to be competitive. If you don't know what they are doing, you don't really know how to prepare against them. ... I don't know what this kid from America is doing, if he joined a club in accountancy and he will do the results of the year or at the accounting better than me. And as I don't know that I cannot, I don't have that pressure to do it, to start my course on accountancy and be able to reach that assessment center with that knowledge. So yes, I would say that online, that separation of what we see from reality is harsh on everyone when job searching because you don't know your competition and without knowing it you cannot overcome it. – Interviewee 18, UK, university student

Interviewees also have the perception that employers are becoming increasingly specific about what they are looking for in graduates. Due to increased competition, employers are able to be more selective when searching for a cultural match among applications:

See think JP Morgan. Let's say I think they value a culture where you're, you know, you're coordinating with the team, you know, you know, just this person who has only cares about work is a workaholic. That's because you do have to work all hours. So, they need someone who is fun, who's you know, positive, who's happy, who's enjoyable in the workplace as much as he is outside. So, they're looking for a person, you know, who's more outgoing and you know more of an extrovert rather than just thinking to himself and you know, just getting all this work and just going home. One important thing that they look at and that's one thing you have to specifically mention is a couple that are among whole list of the values that they look for: teamwork,

ambition, creativity, and out of the box thinking. – Interviewee 20, US, recent university graduate

There is also the perception that employers are able to be more specific about the majors or specific skills they are looking for from graduates:

But I also think sometimes employers are very strict - while recruiting a planning and logistics person, they must have done a planning degree. Whereas your math student, your physics student, your chemistry student, your accounting student, your finance student, for a start would all be absolutely able to do those roles. So, I think we're probably guilty on both sides that we don't. And we don't encourage the students enough to look outside their immediate discipline, and employers are still a bit ringfenced about the type of students that they could recruit. – Interviewee 17, UK, university employee

One thing I've noticed is that there's a mismatch between what university students are studying, and what companies want. You have a university degree, but that's not what the companies want so you are unhireable. They want big data, data scientists, they want software engineers, they want people who can make apps. But someone who has a degree in Korean history is hard to employ.

– Interviewee 9, KOR, university lecturer and government employee

In this section, we have heard from students, industry professionals, and university staff the perception that the process of acquiring a job is becoming more difficult due to an increasing number of tests, AI scanning resumes, worldwide competition, and employers becoming more demanding in regard to new hires' cultural fit and specific skills.

In addition, participants report from their own perceptions and experiences that these longer processes are leading to longer wait times for graduates to get jobs, which is the subject of the next section, and in Chapter Seven, we will also see some of the perceived consequences of these longer wait times.

#### 4.1.2.4 Longer wait times for jobs and the necessity of finding an alternative

Interviewees perceive that lack of demand, oversupply of graduates, and increasing demands from employers during an ever-lengthening application process are leading to longer wait times for graduates to be successful in finding employment.

In an interview nine months after graduation, most of this interviewee's friends still don't have jobs:

Yeah, well, and what I've kind of observed too, like a few of the people that I went to school, we all kind of keep in touch you know. Only a couple of people have even gotten jobs because I would have graduated this past May. And it hasn't been too long, but it's like some people have gotten jobs, but then others....they haven't you know? And it's just really crazy like to think that that could even happen. – Interviewee 21, US, university student

Interviewees reported that the perception that this is a tough place to be for many graduates. They stated that stressors such as student loans, and parental expectations make waiting for a job much more difficult. The longer the wait for a job, the greater the risk of discouragement and other negative outcomes.

The *downwards economic constraints* of inconsistency in the value of a degree and difficulties in job acquisition are extremely important. Interviewees report that these two *downwards economic constraints* contribute dramatically to the lifestyle and well-being of graduates, as well as their decisions as to how to contribute to the economy. The longer they wait for a job, the more they are forced to make alternative

decisions such as taking part-time jobs, going back to school, applying for government exams, or trying to find other alternatives.

In addition, the *downwards economic constraints* can affect the downwards normative beliefs of society and upwards normative beliefs of graduates in relation to job acquisition. If people believe it is difficult to get a job, and there is anecdotal evidence that it is difficult to get a job, this may change the upwards normative mechanisms, with individuals feeling differently about attempting to find a job and making different decisions than they would have if they believed it was easy.

Taken together, these causal mechanisms of difficulty of job acquisition can be linked to a changing of beliefs and actions among people in the economy, and some interviewees even made the connection between them. One interviewee said that graduates will try to find a different path because they do not want to be part of the competition:

And also, I think, because of this thought of, “Ah, there’s too much competition,” and I think there is like, stop thinking behind, and like behind that is just, “I’m just going to find something like YouTube or something like new. Like, I’m just kind of jump into a new field and try to make money, maybe much easier.” ... And this kind of thing kind of made the young people like trying to find a different way to live. Like, there’s– like not, like being a part– and a part of the competition. They just leave and kind of find a different place. Because for sure, they think that this competition is wrong. –

Interviewee 14, KOR, university student

This idea that people are searching for a way around the traditional job market and difficulties in job acquisition will be discussed further in the upcoming chapters. For now, the rest of this chapter explores other *downwards economic constraints* that appear once one has a job. But it is important to note that the perception of these first *downwards economic constraints* discussed in section 4.1 and its subsections

are reported to serve as a barrier to entry to the market, forcing individuals to make tough decisions before they even get their foot in the door, so to speak.

#### 4.2 On-the-job *downwards economic constraints*

*Downwards economic constraints* do not stop once an individual has acquired a job. In fact, most employees perceive that they are just beginning and become more difficult as one progresses through their career. It is easy to see why *downwards economic constraints* exist if one looks at the organizational chart of almost any organization. The structural configuration features many people at the bottom, and only one, or a few, at the top. This means that the longer an individual works, the more he or she will be competing against other people who have worked just as long for a fewer number of spaces on the next rung of the corporate ladder.

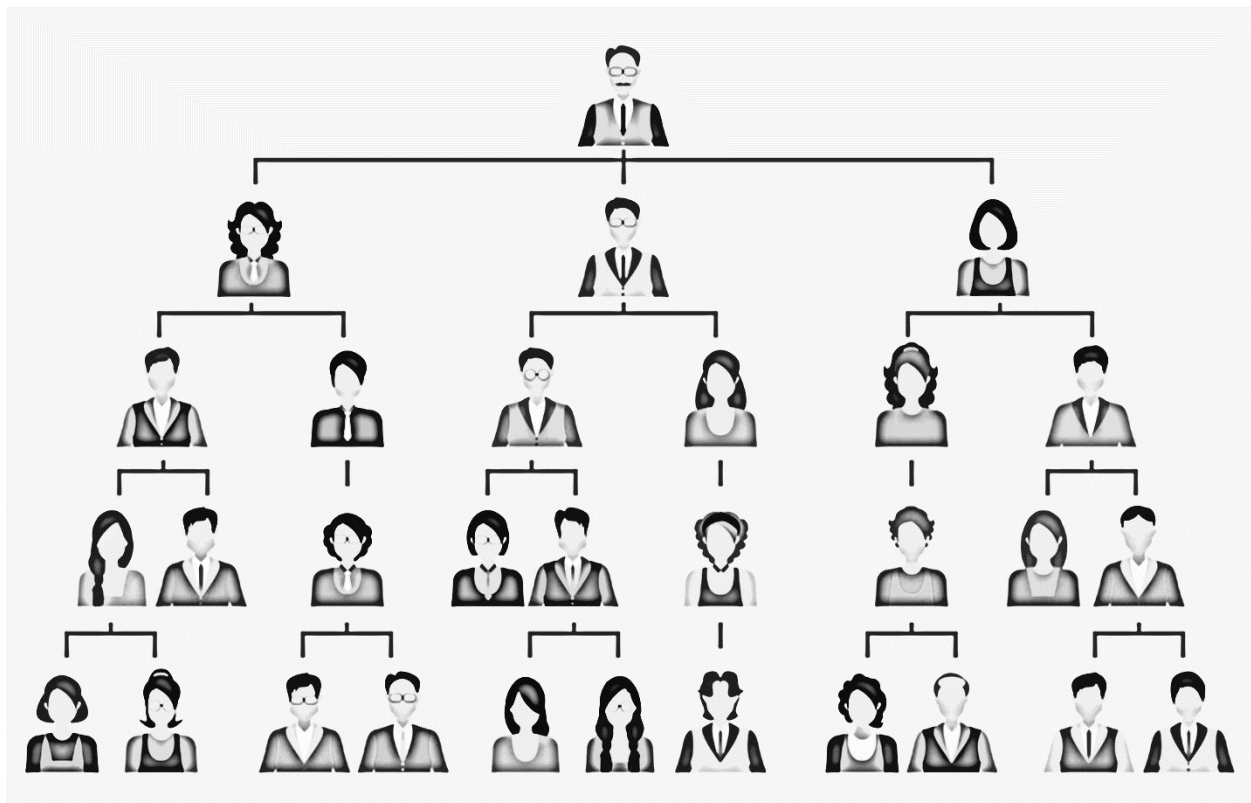


Figure 4.2-1. Illustration of corporate hierarchy illustrating fewer positions as one goes up the ladder.

Interviewees mentioned many different types of configurational mechanisms that they have encountered on the job. They fall into roughly six perceived mechanisms: stakes, poor management or treatment, lack of mentorship, lack of flexibility, lack of appropriate wages, and the pandemic, which has exacerbated many factors.

#### 4.2.1.1.1 Higher taxes for workers

Covid-19 contributed to a significant number of workers in all three countries being laid off, furloughed, or fired. However, what came out in my interviews is probably a lesser-told story. Many interviewees in the US and UK expressed dismay that they had continued to work during Covid-19 without a break, and yet are being forced to pay increased taxes due to government Covid-19 bailouts as well as suffering high inflation.

In the US, distribution of government checks allowed people who were laid off to have financial relief. However, it also provided incentives for some not to get a job or go back to work. Many of them made more money from unemployment than they had formerly made during their employment.

I think now in the current environment there is a big problem trying to fill jobs because there is so much government welfare, so you really have no incentive to find work. If you were to get laid off or quit your job you would get \$2500 a month for doing nothing. So, if I'm that type of person and I don't want to work if I don't have to, then I'm not going to work. – Interviewee 2, US, industry

In the UK, the furlough scheme allowed companies to keep employees, but the cost will be borne by taxpayers:

So, I don't know how much you heard, but I was sort of talking about it to the Chancellor of [redacted]. So, what they did was basically put out what's known as the



furlough scheme. So, they basically paid up to 80% of a person's wage for the company. So obviously, that costs the United Kingdom, in absolute, you know, a small fortune. But what it did was it allowed people to— allowed companies to keep their employees on, even though that it was closed, right. And a lot of people were taking advantage of it, as you could expect. But ultimately, that's what they were doing is that they basically paid for about a year. I think it's still going in some cases, but they're throttling it back a fair bit now. They basically paid 80%, up to 80%. Now, obviously, that's taxable income. So they're getting some of that back through tax. – Interviewee 6, UK, industry

Interviewees in Korea did not mention this *downwards economic constraint* of rising taxes and inflation due to Covid-19. It might be due to the fact that employment in Korea was not as affected by Covid-19 as the other two countries, and the government response was to put 14% of Korea's GDP toward Covid-19 relief rather than taking out loans.

#### 4.2.2 *High Stakes – When the helping hand becomes a slap*

The first downwards configurational mechanism that workers perceive they encounter is that of high stakes. At this point, individuals have successfully acquired a job and entered the economic configuration in a certain position. But their place in the economic configuration is dependent upon a number of things, including their ability to perform the role successfully. If they do not perform well, they can be fired, and they will lose their place in the economic configuration until they find another one.

For workers entering the market for the first time, perhaps the one mechanism which they perceive to be most significant than all other subsequent configurational mechanisms in the workplace is that of stakes.

This was expressed best by university graduates, because for most university graduates, the stakes in the workplace are completely different in nature than anything they have encountered before.

Like you do something wrong...it matters a lot more. You know, you don't just get a bad grade and move on. – Interviewee 20, US, recent university graduate

Even students who work part-time jobs or internships while in university don't necessarily get the same idea of stakes as they do in their first full-time job. This is illustrated in the quote below:

You get paid minimum wage, but you're probably living at home and it's just beer money and it's good fun you with your friends, and you don't realize that you wouldn't want to do that for 30 years. It's good fun to do it for three months, but you certainly wouldn't do it for 30 years, and it's a really hard graft for those people who it's their main bread and butter and will always be their main bread and butter. So, it's very hard for those first years to have an understanding of what it would be like to go and work in an investment bank or a marketing agency or a data analytics firm, they they've, they've no concept of it. – Interviewee 17, UK, university employee

Graduates in their first job perceive very quickly that the work context is nothing like the university context:

At work, the [helping] hand is more of a slap. ... I think that has been lost throughout the years in education and nowadays is really like differential as students are in some way overprotected. – Interviewee 18, UK, university student

Another interviewee expressed the idea of the first few months on a job as a trial by fire, saying that he had no concept of the stakes involved in a real job while he was still at university:

The whole trial by fire thing is totally foreign to universities. – Interviewee 2, US, industry

After graduation, interviewees perceived that work takes on a whole new meaning: It is immediate, it takes place every day (sometimes even on weekends to continue learning the role), success is mandatory, and there is no other alternative except quitting or getting fired.

Another aspect of this downwards configurational mechanism mentioned by employees is the pressure of performing because the performance of the other members of their team depends on them. This is very different than their experiences at university.

[University group work] doesn't necessarily translate in the corporate environment because if you don't do your work, you get fired. So, there's a reason and a motivation to collaborate with others because you're under the direct supervision of some sort of manager or boss and the ramifications against that. – Interviewee 2, US, industry

Several interviewees expressed that responsibility to one's team increases stress in the workplace, and was exemplified best in the quote below by a recent graduate in Korea who has been working for three years at a large corporation in Seoul:

I didn't have that much stress when I was in school. But I got a really, really big stress from my job so I think I changed during my work experience. ... Because responsibility. When I was in school, I didn't have a lot of responsibility of doing what I'm doing, but like now, in my job, I have to be responsible for the job I do, and it affects other team members. So I have like a huge responsibility. That's the difference. – Interviewee 8, KOR, recent graduate, industry

The perceived downwards configurational mechanism of high stakes is often viewed negatively for employees trying to learn how to perform at their jobs. Interviewees perceived that this mechanism puts pressure on them every day as they make decisions and conduct their interactions with others.

Mainstream economic theory treats all individuals uniformly, assuming that individuals have a constant psychological relationship with the market that doesn't change over time (Stigler and Becker, 1977). This thesis challenges that assumption, arguing that it overlooks the varied subjective experiences of employees in the workplace; with mainstream economic models making the assumption that individuals will wish to continue to maximize their utility regardless of their subjective experiences in the workplace.

Yet as we will see later in Chapter Six and Chapter Seven on upward mechanisms, it becomes evident that employees do react to these subjective experiences in different ways and change their perceptions and behaviors in response. It is also possible that this downwards configurational mechanism of high stakes may be the cause of other *downwards economic constraints* noted later in this chapter – such as poor management, worse employee treatment, lack of mentorship of employees, and lack of flexibility in work conditions.

It is conceivable that high stakes might also be a contributing factor to the downwards normative mechanisms in the next chapter. These perceived mechanisms might foster a workplace culture to make employees fit into the institutional configuration as quickly as possible – such as normative mechanisms which would keep employees working longer hours or beyond their assigned tasks and encourage new graduate employees to assimilate into the culture and work seamlessly with the others in their work teams as quickly as possible. Due to difficulties in job acquisition and reluctance to be fired, newer employees will tend to conform to these *downwards economic constraints* and downwards normative mechanisms to maintain employment. Subsequent sections will explore these downwards normative mechanisms

further, later considering how they might originate from the high-stakes environment, and even later, how upwards normative mechanisms might emerge in an effort to push back against them.

#### *4.2.3 Poor management practices*

In addition to job acquisition difficulties and lack of reward, many participants mentioned that while on the job, they perceived that they experienced poor management or poor treatment from their employers. Complaints about poor management and poor treatment of employees appeared mostly in Korea and the US and were not discussed by the UK interviewees except in terms of changing conditions due to Covid-19, which is given in section 4.4.

There is a perception that the general business atmosphere and treatment of employees has changed in the last few decades, and that treatment of employees is becoming worse over time:

You know, those last decades of the 1900s, when America's booming before the recession and the 2000s? Even in the later 90s, I think there was just so much extra money going around I feel like people's attitudes towards work were a little better in some ways. You know the way employers treated their employees was a lot better, with these, you know, workplace parties and different commissions bonuses. Just the friendly culture in the workplace that just doesn't exist anymore in a lot of places. I feel like since then employers have tried to get away with as much as they can. You know, you cut all the corners you can. You know they hire financial advisors and analysts and HR personnel and whatnot to find out while people need what they don't need and where they can cut costs and keep that money. – Interviewee 20, US, recent university graduate

What is perhaps most interesting about this quote is that it is from a student who hasn't even acquired his first job. His perceptions have been shaped by schooling, social media, and parental and peer anecdotes, offering a preconceived views of corporate America before his direct experience.

It was enlightening to see the effects of this mechanism at work, as during the interview, he expressed that his perception of the treatment of employees has made him not want to work in any job after graduation, regardless of industry or how much he may like the job, because he is afraid of how he will be treated in the workplace.

A harrowing anecdote from one interviewee illustrates these concerns:

I remember saying something to my boss about it, at this time my kids were both under the age of 5. I said to her, 'My workload is so insane I'm not seeing my own kids. I can't get home in time to even eat dinner with them. I might see them just long enough to put them to bed and that's it.' And her response to that was, 'Why don't you leave work earlier and have dinner with them, and after you put them to bed you can go back to work?' Just open up your laptop and go back to work. [laugh] And I said to her, 'And when am I supposed to sleep? Or exercise? Or in any way take care of myself?' Well, she made it quite clear she didn't care. – Interviewee 4, US, former industry employee and current university lecturer

These types of anecdotes regarding overwork and unfeeling managers were common among the Baby Boomers and Gen X interviewees in the US and Korea.

In Korea, participants perceived that the corporate structural configuration allows those at the bottom to bear the brunt of poor management. Poor management includes abuse of power, demeaning employees, or even your boss stealing your ideas and taking credit for it, something which comes to light once in a while in the press, mostly in academia where professors take credit for their students' work.

This is what the comment about the importance of Korea's affinity for hierarchy means. Because if you have a title – if you are known by your job title – then you know exactly what your role is. Don't cross the line, don't be innovative, don't come up with any new ideas because if you do, your boss will steal them and take them to the upper management. And you'll be told to shut up and get coffee. – Interviewee 9, KOR, university lecturer and government employee

One aspect of poor management that I had not anticipated was the use of technology by management to make workers' lives more difficult. Advances in technology have made it possible for individuals to take work home and be on call twenty-four hours a day, seven days a week.

But starting with the corporate world, when I was in college, we were told that technology was going to free our lives. In fact, we'd probably only have a 20–30-hour workweek because technology would take over. And that technology was going to make our lives so much better, and we would have so much more time to pursue our personal interests and hobbies and blah, blah, blah. And the exact opposite happened. Technology enslaved us. The attitude was that you would just sit at your computer all day, not even eat lunch – most people at lunch in front of their computer so they could keep working. The workloads increased exponentially. ... massive workloads. And this idea is that because of technology you could work 24/7. - Interviewee 4, US, former industry employee and current university lecturer

In Korea, technology is allowing companies to circumvent government policies which are meant to prevent them from overworking their employees.

In Korea, for example, at 7pm, in companies, even in Kaokaotalk and the government, all the lights go off and the computers turn off. At 7pm, automatically. So that's good.

But what Naver does is tell their workers, put on a head lamp, and turn the computers back on. Because the government officers walk around and go into the buildings and see if the lights are on. And they also check the power surges. But Covid-19 has probably made them just tell them to work at home. – Interviewee 9, KOR, university lecturer and government employee

Interviewees perceived that poor management practices can emerge as an unfortunate side effect of corporate structure. However, interviewees expressed that this downwards configurational mechanism is causing a growing desire for change in management styles, driven by these negative experiences:

I think there definitely is a whole a whole bunch of people that just don't want to work. But I think there are some pretty heavily founded reasons also just we've seen a big change in attitudes towards management in the workplace and how people want to be managed, how they want to be instructed and treated. – Interviewee 20, US, recent university graduate

If workers don't get the change they are looking for and this mechanism continues to increase in power, individuals will eventually have to make a decision regarding what to do about it. Employees may increasingly, look for alternatives to the traditional corporate structure, especially if they have experienced barriers to career advancement due to these mechanisms.

#### *4.2.4 Inflexible work structures*

Another downwards mechanism which was 'hidden' is the idea of lack of flexibility in jobs in the traditional economy. Most individuals are so used to going to work that they hardly recognize it as a constraint. The routine of commuting to a workplace for a certain number of hours daily or weekly has become such a norm that its implications are seldom questioned.



Interviewees perceived that the cumulative effect of long hours with little free time and little flexibility over the course of a career which can last forty years can really impact individual decisions and individual interactions, especially in times of trial.

One interviewee shared her struggle to balance work and personal interests:

Interviewer: And with your full-time job, do you have time to do your own job or hobby too, or not?

Actually no. I only have time on the weekends.

Interviewer: Okay. So, what are your work hours like Monday through Friday?

Monday through Friday 9 am to 6 pm. – Interviewee 8, KOR, recent graduate, industry

Aside from the long hours at work and her commute time, she felt that she didn't have the mental, physical, or emotional resources left to do another business or even a hobby on the weekends. This type of lifestyle, when continued over a career where one has to try to raise children and have a life outside of work, can become extremely draining as mentioned also in the last section by the industry professional with young children.

In my first round of interviews, it was younger workers who first mentioned lack of flexibility as a negative mechanism as they were having difficulty adjusting to working life; but by the second round of interviews once the pandemic was fully underway, individuals of all ages were beginning to mention lack of flexibility as a negative configurational mechanism. Therefore, this mechanism will be discussed further in the section regarding the pandemic.

The final three downwards mechanisms are those which occur outside of specific jobs. The first two, lack of mentorship and lifestyle mechanisms, are those which can follow individuals throughout their careers and inhibit their economic contributions by prohibiting them from succeeding. The last mechanism, the

Covid-19 pandemic, is one that began as a temporary, but we may just be starting to see some long-term effects on the economy. These three mechanisms will comprise the rest of this chapter.

### 4.3 Long-term, career-affecting constraints

While it is relatively straightforward to uncover mechanisms like high stakes or poor management as being *downwards economic constraints* putting pressure on employees in the traditional economy, other more subtle mechanisms gradually emerged through the interview process. These elements were perceived to have a quieter immediate effect yet exert a profound influence on employees' professional and personal lives over the long term.

Two such subtle mechanisms that were expressed by interviewees across all three countries: were lack of mentorship and limited lifestyle. These two mechanisms are different because they affect individuals due to their absence, the first inhibiting them from fully contributing to the economy and the second inhibiting them from having a full life inside and outside of work. These passive mechanisms, though less visible, are perceived to shape and limit individuals' decisions within the workplace and beyond. They can affect career trajectories and personal wellbeing, exerting an influence on both current job satisfaction and also long-term professional development and life satisfaction.

#### 4.3.1 *Lack of mentorship*

Lack of mentorship emerged as a significant theme in the interviews, reported at several different times which were critical to individuals making decisions about their career trajectories. Interviewees seemed to believe that this mechanism inhibited them at all levels of the process. It prevented them from acquiring a better job, performing as well as they could have on the job, progressing up the career ladder as quickly as they could have, and prevented them from knowing when to apply for promotions or switch jobs to progress their career. This perceived downwards configurational mechanism inhibited them from

knowing how to best contribute to the economy which would necessarily have impacted their individual decisions and interactions with others.

Graduates lack mentorship enabling them to understand the landscape of the work environment and their industry before they apply for jobs.

I think when I went to university, I had no idea what I was getting into. I didn't really understand what accountancy was, and I had no preparation from schools – university was pretty poor back then. I think it's probably swung too far the other way now but back then you really had no idea what you were getting yourself in for unless you had parents or friends in the industry that could give you some understanding of what's going on. – Interviewee 6, UK, industry

Having a mentor could help new graduates when they just begin working. Mentors can help to mediate the sometimes-harsh feedback that comes from the workplace. Mentors could be beneficial for many who would otherwise become discouraged, especially those who have only been students and haven't faced many real challenges in their lives.

They need help - they're not prepared. A few years ago, I did a class where a project was developing your LinkedIn. That's hard for businesspeople. ... [Students] have a hard time understanding, what's their value proposition. What do they bring to the table? Because they've been told all their lives that they are so awesome, that their parents love them, they've been coddled. They haven't had part-time jobs where they were told, "You're a piece of shit." They haven't had very many challenges, much contrast in their lives. They've never had their heart broken. They're not ready yet for the real world even at the university level in Korea. – Interviewee 9, KOR, university lecturer and government employee

As illustrated above, having a mentor can help employees understand things outside of the technical aspects of the job. Mentors can help employees set realistic expectations about the workplace. There are other important aspects such as how to deal with feedback, how to manage up, down, and across, as well as managing work and lifestyle issues.

As employees continue to work and they build skills, mentorship could help them to understand what skills they have to be able to know how valuable they are, what other skills to acquire, and how those skills would easily transport to other industries.

I think, one of the things that probably wasn't clear...so we went to university, and we expected to go out and get a job for life. To go into a particular industry – and some people have – and that would be it. This brings you up to a level of knowledge proficiency in a particular area. Now that's good enough to get you entry level stuff or maybe entry plus one, but what it doesn't do is shape you, what it doesn't do is basically lay the foundational work for what you need to go and do next. What you need to do next could logically be in a different industry doing something completely different. You could move laterally, you could move upwards, you could move into a completely different sector or industry.

And so being able to identify what you can take with you, what's transportable and what's not transportable, is really much down to the individual. And they really may or may not agree or know what to look for. So, I think that understanding of, 'Well this is going to let you do this, but rather than looking at it for purposes of verticals you could look at it through horizontals and say, this is foundational stuff, and this could take you anywhere. And believe it or not, you won't actually stay in the same job for the rest of your life.' So, setting expectations that it's not just about one thing. You can

actually learn about this stuff and take this on a number of different career paths. So, setting the expectations that this is not, and it probably won't be, a career for life... You're going to change jobs or even career paths six or seven times. – Interviewee 6, UK, industry

Mentors would be invaluable to individuals in helping them to understand what skills they have and how skills will translate to the workplace. As they gain more experience, if individuals do not understand how their skills can transfer across workplaces and industries, it can drastically inhibit the progression of their careers when it comes to their search for higher-level jobs.

In addition to knowing how skills transfer, also knowing when to transfer is a huge benefit that often requires mentorship. Sometimes people instinctively know when to make changes in their job or when to move to the next thing:

I transferred my team once and the reason why was that the team leader didn't teach me how to do my job. He only focused on his job, so it was very hard for me to get along with people and to know what to do. That also goes back to who you work with because people in South Korea are busy doing their own job, so it was very tough. There are not many people who will teach you. – Interviewee 8, KOR, recent graduate, industry

However, others don't know when or how to make the switch, often getting stuck in dead-end jobs without realizing it.

How to change careers when appropriate – no, there's no mentors for that. You just don't do that. If their parents are their role models, no. You generally mirror what you see in your own family. So, unless you see your parents bravely quit a job they hate

and go into a new career or start their own business, you probably don't know how it's done. – Interviewee 9, KOR, university lecturer and government employee

One answer for this is that several interviewees mentioned the need for mentors who would work with them across jobs, across industries, throughout their career. As one interviewee said, if individuals don't have a mentor, they might feel compelled to stay at a job because they believe there are no other options:

It can be a bit of a trap. Because if you don't know that sort of stuff, you feel that you have to stay, because you've got no other choices. No one else is going to want me, you know, you've got to, unless you're speaking to someone with a bit more experience who's able to shape that for you, or to give you, or to seize the...and this is where mentoring becomes really important. – Interviewee 6, UK, industry

Lack of mentorship was perceived as a downwards configurational mechanism in all three countries at every age group. This is problematic because this mechanism can cause workers to make decisions that are not informed as to how to progress their careers.

So, I've been able to jump horses, jump from one horse to another to another, back onto the same horse, and then back onto another. And I've been able to do that because of my diverse skillsets. And the more that I've jumped horses, the more diverse my skills have become. And the more diverse my knowledge has become. Now nobody told me how to do that. I remember having the conversation at school with my careers advisor, who frankly didn't have a clue what was going on in the world of industry out there, and because he didn't have a clue, I didn't have a clue. And I didn't really manage to get my head around what I was doing, what direction I wanted to go in, probably until about 2000, when I was 36. Because of the lack of guidance, taught knowledge of industry in schools – proper careers advice and career options just don't

exist in the UK quite honestly. Unless you as an individual latch onto something and think 'I love doing this, it doesn't feel like a job.' So yeah, I absolutely do think universities need to get closer to industry to understand the needs of industry and why those needs exist. – Interviewee 7, UK, government employee

Lack of mentorship was mentioned by both new graduates as well as older employees, who become frustrated at the lack of career knowledge in the younger generations, because it inhibits their performance and prohibits them from getting promotions.

Like they don't understand how to be promoted, what they have to do. They just don't have an understanding of very much. – Interviewee 11, US, industry

As shown in Chapter Two, Table 2-1, mainstream economic theory often fails to account for the reflexive relationships that individuals have with institutions. This oversight simplifies and generalizes individual behaviors, ignoring how personal experiences and interactions influence individual behaviors. When viewing the data through the combined reflexive lens it is evident that the nature of individuals is variegated, their experiences in the workplace subjective, and there is a creative and emergent process that individuals report going through during their working life in response to their environment and experiences.

The *combined reflexive lens* allows us to see from the interviews that the absence of mentorship of individuals over their working lives could have a negative impact at different critical times throughout their careers. Its influence is more difficult to reproduce because it requires individuals to look back over their careers and see where the institutional configuration was lacking for them in a way that functioned as a downwards mechanism, rather than looking for more active downwards forces. But once found, it was a significant mechanism for all who focused on it.

Most individuals are so used to not having a mentor that they don't even think about how having a mentor might help them make better decisions. However, as we will see in Chapter Seven, interviewees will state that having a mentor is one reason why individuals are choosing alternative jobs over the traditional economy. Mentors can help individuals make better individual decisions and have better interactions with others throughout all stages of their economic contribution, which allows them to make faster progress in their careers.

#### *4.3.2 Limited lifestyle - Lack of appropriate reward for effort*

The second downwards configurational mechanism that was more difficult to reproduce is the idea of a limited lifestyle, particularly noted in the US and Korea. This mechanism is reported in different ways by different individuals, but it encompasses the frustration that individuals feel when their efforts at work do not translate into expected economic rewards or improved quality of life, including increasing wages, pay, vacation, recognition, and promotions.

This downwards configurational mechanism was reported mainly in the US and Korea. I believe this is because the interviewees from the UK are from a top 10 university, and they believe that their future is extraordinarily bright. The university students from the US and Korea were still from good schools, but they would have much more competition for their future jobs and would not generally be in the higher pay brackets.

Interviewees across all three countries perceived a clear distinction between getting a job and getting a *good job* – one that offers satisfactory pay and career fulfillment.

And my, one of my friends, two of her daughters had great college, great college. But two of them have difficulty now finding a job. But at the same time, [for those] who went to a good college, their expectation is high. If they want to get a mediocre job, they can get it. But two ends meet like expectations and where the job market is hard



for the majority of people. – Interviewee 5, KOR, industry employee – former university employee and former government employee

When asked, interviewees expressed the expectation of high starting salaries, reflecting desire for immediate financial stability post-graduation:

Oh, I think getting a job is not that difficult. But the difficult part is to get a good job.

... I think in Design major, there are a lot of jobs that we can do. But almost of time are– almost [all of] them pay so low. – Interviewee 15, KOR, university student

High starting pay is something that all participants were looking for, regardless of country.

I mean, everyone always wants more pay all the time. I think pay is the biggest thing.

I mean they don't think about benefits as much. Only the highest level, highly skilled privileged people can get down to the nitty gritty like how many days off, how many sick days, how much disability insurance do I get. If you want to be that granular. Most people just look at pay and vacation and above that maybe how good 401k is or something like that. – Interviewee 3, US, industry

When pay is non-negotiable, or lower than expected, it can lead to problems. It can lead to well-qualified individuals refusing jobs or make individuals who take the job feel that their economic contribution is not valuable:

It's either you take what we're giving you or you go home. ... I tried to negotiate my pay when I was hired at Mercy and I wasn't even given the opportunity, I was just told, no, this is this is the amount you get, or you walk. That's it. Because they know that either I'll need it bad enough or they'll get somebody who does. – Interviewee 20, USA, recent university graduate

Another way pay was mentioned was. as the lack of perceived equitable wages between people. People do not like thinking that they make less than others for the same amount of work, regardless of seniority or age.

Obviously, our economy and our workforce is struggling. Uh, I think wages are a big issue. Equal equitable wages... that's something I've had issues with my job where different people are making different amounts of money, and you try to complain about it, and you get a big middle finger from corporate. – Interviewee 20, US, recent university graduate

Another way is that people feel they are working too much for the compensation they are receiving:

My niece, living in Seoul, she came to visit during the Chuseok holiday, she wanted to quit her job. Because the pay is not that great, a lot of working hours, then a lot of customers. – Interviewee 5, KOR, industry employee – former university employee and former government employee

Lack of adequate compensation was perceived as a downwards configurational mechanism which would either force individuals to search for positions with other companies or take more of an interest in promotion:

But the other challenge is there's only so much growth opportunity right now and if you have a big department like we do, there are multiple people asking for promotions because they all want more pay. So, there's only so many open spaces and few people to fill those select few spaces so I don't think that helps with morale. And I think that if people are asking for promotions, then they're not getting compensated for the work they do now. Or at least in their mind. – Interviewee 2, US, industry

Individuals believe that they should naturally be promoted if they do a good job, however, the configuration of most institutions is that there are fewer spaces at the next higher level of the hierarchy each time one wants to receive a promotion.

My dad probably shaped us in that respect. When he came out of the Air Force, he was largely institutionalized, I think, and he struggled in city street. And rightly or wrongly we based our career aspirations off our dad. We believed that if we did a good job and kept our nose clean that we would be promoted to the next level and there is no guarantee of that. – Interviewee 6, UK, industry

After several years on the job, individuals may begin to feel disenfranchised from the economic system.

I think that in my opinion, if you do really well on your performance appraisal, then there should be some sort of compensation on top of that 2 or 3 percent that almost everybody gets. So at least there's some incentive to do more work instead of you being in the same position for five or six years, busting your butt, not getting a promotion. At some point you're looking for another job. – Interviewee 2, US, industry

This is where a simple argument for more wages begins to become more complicated and roll into an issue of lifestyle. Interviewees stated that raises which simply match the cost of living become more difficult to deal with as an individual gets older and has children, as their tastes become more refined, and even during harsher economic times such as the current climate when inflation is high:

And I think that's a huge issue for people, you know, I can work. I make good money for what I do, and I can work and be able to afford 3 gallons of gas an hour, which is not very much if I want a house, that's another 30 years. Stuff like that. I mean it's just... it feels impossible to get ahead. I was talking to a good friend of mine yesterday

... and both of us feel like we're just trying to get by. We don't go out, we don't do much because we just don't make very much and I think that's the main issue and for a lot of people where they need cash... - Interviewee 20, US, recent university graduate

Younger interviewees mentioned the perception that they will never be able to afford a home of their own in the city where they want to live.

And I think they— me and my friends did not think of all, I would have my own house.  
... My only chance is my parents— [if I] get my parents' house. – Interviewee 18, UK, university student

This sentiment was echoed by many of the interviewees still at university. They have watched housing prices rise dramatically even since they were in high school and are not seeing an accompanying rise in wages.

One interviewee in Korea had a newspaper article she quoted from, which stated the following:

This generation has given up seven things: romantic relationships, marriage, children, social relationships, a house, dreams, and hope. – Interviewee 9, KOR, university lecturer and government employee

The perception that the younger generations are not going to be able to afford even a good, middle-class lifestyle is making many of the younger people reconsider their economic contribution.

Because these days, like people with highly educated people don't— make money, I think. Like, being highly educated does not make you money. Like in Korea, I think, people who graduate like university and stuff, actually, it's hard to get a job that can use your talent and what you love. You just have to get a job to make a living. – Interviewee 14, KOR, university student

The interviews were quite daunting in this respect, university students and recent graduates were stoic in their acceptance of low wages and the mainstream narrative that they would not be able to afford a good life. They believe the price of a good lifestyle is beyond the reach of all but the top few percentage income earners.

You know, Korea is very centralized in Seoul. ... so outside of Seoul, it's kind of not livable. Like, in Seoul, you can get everything. Everything is compact inside Seoul; you can get food easily, or for fun, like entertainment easily. There's like, everything; like water park[s], everything. And people, most people live there, I'm pretty sure like half or more people in Korea live in Seoul. So, but it's hard to live in Seoul because the house is so expensive. It's like, how much is it... \$1 million. Yeah. – Interviewee 14, KOR, university student

Younger interviewees in all three countries stated that working a normal job, even one with a degree, would not deliver the lifestyle they wanted.

As we can see in this section, the perceived downwards configurational mechanism of limited lifestyle is a pervasive complaint among interviewees from all three countries. Most individuals obtain jobs for financial reward, and for the hope of a good future. Lack of financial reward for work, or an individual knowing that his or her income will never be able to provide a decent lifestyle, is a powerful downwards mechanism.

As discussed in Chapter Two, while mainstream economic theory assumes a stable psychological relationship between individuals and the economy, once viewed through the combined reflexive lens we can see the reality that this relationship is dynamic and influenced by personal perceptions of economic opportunities and lifestyle attainability.

In Chapters 6 and 7, we will see that the force of this downwards mechanism is being met with equal force by upwards mechanisms, where individuals are starting to change their behaviors to demand more from their jobs or look for alternative ways to make money.

#### 4.4 Covid-19 and the changing work environment

Covid-19 deserves special mention for its perceived impact in the emergence of various *downwards economic constraints* that interviewees report have changed the structure of business and work life, perhaps indefinitely. The background for these interviews was the Covid-19 pandemic, which functioned as a driver, influencing many of the mechanisms above, as well as introducing new mechanisms. This first section will illustrate how the pandemic exacerbated the current *downwards economic constraints*, and the second section will highlight some new *downwards economic constraints* that were perceived to emerge due to the pandemic.

##### 4.4.1.1 Exacerbating mechanisms already there

Covid-19 was perceived to make job acquisition more difficult because it forced many workplaces to reduce their hours or close, causing them not to hire:

It became harder to get a job because if you see online job [searches], there are fewer opportunities because of Covid-19 19 revenue, or environment in the company has become worse because of Covid-19. So, the companies reduced the number of employees, it got really harder than before Covid-19. – Interviewee 8, KOR, recent graduate, industry

In addition, interviewees perceived that family-run businesses weren't hiring non-family members because they couldn't afford them:

And in companies, the low-wage workers have more difficulties getting a job because small businesses like restaurants or convenience stores, the profit is going down so

now there are many families [that] only run businesses because they cannot hire someone. – Interviewee 1, KOR, university employee

In Korea, small businesses were hit exceptionally hard:

After Covid-19, it's more challenging. The reason why is small businesses are going down, so that means the owners of the business must, they have to fire the employees. Their profit goes down, it's a big problem at the moment nowadays in Korea. – Interviewee 1, KOR, university employee

Interviewees perceived that organizations are taking in fewer graduates and devoting less time to training:

I think it's harder to find a job for graduates since Covid-19 started. Because organizations don't have the resources to dedicate as much time to teaching. It's much harder to teach interns remotely than sitting down face to face or watching them do something next to them using a computer. – Interviewee 11, USA, industry

In addition to making job acquisition more difficult, Covid-19 also raised the stakes for students and employees. Universities, as well as many businesses, were forced to make online accommodations work or they would have had to close their doors.

Being someone who teaches college level – it's great we could do it because otherwise we would have had to shut colleges and universities down, which would have been catastrophic. But my students have not functioned well in this online environment. There's been a really high drop rate, and a really high rate of Fs and Ds. – Interviewee 4, US, former industry employee and current university lecturer

There were also lockdowns, social distancing restrictions, and vaccination requirements, which had an impact on how well individuals were able to contribute to the economy.

Covid-19 also exacerbated perceived poor management practices. One interviewee in the UK mentioned that company monitoring had gone up and he was starting to see and hear about pushback from employees.

So, they wanted to see that people were actually physically online and working. Because you can be online, watching a movie on your telephone, whilst you're ostensibly logged in. So, they're actually tracking key presses and all sorts of shit to see what was going on, and tracking personal hours and tracking absences and tracking periods of time where there was no activity, you name it. Microsoft analytics actually gives you all that stuff. So, you can sort of see there was a lot more monitoring going on, and you know there was a lot of complaints, a number of articles with people complaining that this is not right, we're being monitored here and that started to sour the relationship between employees and employers. So, the lack of trust is obviously starting to appear. - Interviewee 6, UK, industry

Covid-19 was perceived to contribute to lack of flexibility, which might seem surprising because many people got the opportunity to work from home. However, as stated above, many at home had increased monitoring, and for those that didn't get to work from home, the number of people who quit, retired, and were able to live off unemployment without going back to work contributed to perceived understaffing and loss of work flexibility for those who were left on the job. Front line workers were forced to work overtime, many had to quit school or forego other things in their personal lives.

A lot of my students were what they call frontline workers. So, they worked for Costco and other grocery stores and those types of jobs where their managers were forcing them to not just work full time but work overtime, and they weren't really given any choice in the matter. So, they were working even more, and front line, so they're being



exposed more than other people. I had a huge drop rate once we had to go online because they flat out could not keep up with what their jobs demanded of them and college level courses. – Interviewee 4, US, former industry employee and current university lecturer

Covid-19 also exacerbated lack of mentorship and educational experiences due to limiting in-person interactions, as highlighted by one recent university graduate in the US:

Yeah, it was very fun. I worked closely with the RA's and our staff in the building. Then I went on to become an RA the next year. Uh, so that was great. I mean, I made a lot of close relationships and a lot of networking through that. And just you know, very, very involved. It was a very ideal college experience. And then COVID-19 hit, and I went fully online. So that was pretty much the complete opposite, just a complete disconnect. You know, the university went radio silent because everybody went home or retired, and it was just a total flip. So, the last two years was...it felt like I was just waiting for the end because it was basically over in a sense. That kind or part of the experience. – Interviewee 20, US, recent university graduate

In addition, interviewees perceived that many students weren't able to do internships or to get hands-on experience during their last two years at university.

It's really hard for people to have experiences abroad or other experiences now because of Covid-19. – Interviewee 8, KOR, recent graduate, industry

This student mentioned his perception that his education was mostly theoretical, and he lacked the work-related experience he would have gained from a company.

And then also just the fact that it's only conceptual knowledge. It's not as much applicable stuff, I mean, unless you're doing a work study, or you know, something that nobody's been able to do during COVID-19. You know, it's just nonexistent. –

Interviewee 20, US, recent university graduate

Interviewees also perceived that Covid-19 was used as an excuse for many companies not to give raises or promotions:

I've heard a lot of people say – I know some of my friends are still getting raises but I've heard some people say since then [Covid-19] there's been nothing. That could be a contributing factor of why people want to try something else because they're like, I haven't had a raise in two years and who knows when it's going to come back. –

Interviewee 3, US, industry.

It is clear from the comments above that some interviewees experienced worsening *downwards economic constraints* due to Covid-19. The worsening of these mechanisms exerted more pressure on individuals during that time, almost certainly affecting their decisions and interactions with others. As mentioned in the last quote, there is anecdotal evidence that individuals, especially younger workers, are looking for alternative pathways due to what they perceive as too much downward pressure and too little compensation.

This data is consistent with the combined reflexive lens, which purports that as individuals interact with others and institutional configurations, and events like Covid-19, the individual's relationship with the system will change. These changes may have potentially long-lasting effects on individual behaviors, and institutional structures such as affecting workplace culture and employee morale and loyalty.

There were also new *downwards economic constraints* that seemed to emerge from the pandemic, and those will be discussed in the next section.

#### 4.4.1.2 Introducing new *downwards economic constraints*

As mentioned in the previous section, Covid-19 served to exacerbate *downwards economic constraints* that already existed. However, the most interesting findings were in the second round of interviews, where interviewees began discussing new *downwards economic constraints* emerging during Covid-19: These constraints, largely influenced by the pandemic, include lack of socialization, formalized communication, increased stress, and higher taxes.

Covid-19 has fundamentally changed how employees interact within the workplace as well as workplace relations, in ways that may not have been explored yet – especially from the perspective of the individual. This study contains some early interview data, which may be helpful in giving an overview of some directions to take research on Covid-19 and the changing work or business landscape.

The two *downwards economic constraints* mentioned as having the most impact on interviewees are lack of socialization and the impact of formalized conversations.

##### 4.4.1.2.1 Lack of socialization

In Korea, second round interviewees mentioned lack of socialization that is a *downwards economic constraint* putting pressure on them. Korean society has a heavy socialization component, with business dinners and nights drinking being a regular part of their repertoire. Interviewees report that they perceive lack of being able to socialize and network with their coworkers as having a negative impact on relationship building, especially for younger employees. A recent graduate working in industry in Korea highlighted the challenges she faces due to Covid-19 restrictions:

Interviewee 8: So, a maximum of four people can gather in Seoul after 6 pm, so it's really hard to get along with people.

Interviewer: That's really interesting. Do you think that's affecting the business environment that they can't...

Interviewee 8: Yeah, because before 8 to 10 people gathered in one space and had meetings and conferences but now it's stopped. So, it really affects the general environment.

The interviewee went on to state that if employees are not able to socialize while at work or after hours, it prevents them from building the networks necessary for success, and for younger individuals it prevents them obtaining the mentoring they need to learn their jobs and perform them successfully.

Lack of socialization as a *downwards economic constraint* was also mentioned by interviewees at university in Korea (Interviews 1 & 6). Attendance at lower-ranked universities was in decline, as students from lower universities stated that the only reason to attend lower-ranking institutions was for networking for future job prospects, which was impossible due to courses being online.

While these mechanisms were only specifically mentioned in Korea during the interviews, it might be due to the fact that Koreans typically discuss relationship building as an essential aspect of university and work life, so they noticed the impact first and were prepared to discuss it. It likely has parallels in Western contexts where the importance of networking and relationship building is also common but perhaps less formally discussed as a necessary part of professional life.

Interviewees in all three countries mentioned that communication is fundamentally different now than it was before, due to the prevalence of email and virtual meetings and lack of in-person interaction. This will be discussed in the next section.

#### 4.4.1.2.2 Formalized communication

The Covid-19 pandemic has intensified a shift toward more formalized communication, through an increase in video networking usage on apps like Zoom and business messaging apps like Slack. Interviewees have reported that communication through Zoom is fundamentally different than more

spontaneous and informal communication between coworkers around the office, at the watercooler, or in in-person meetings.

One UK industry professional noted that productivity slows through Zoom:

To be honest with you, things slow down through zoom, so even though it's sort of like you're picking up a phone and talking to this person, but if you've got a team that's all the way through doing something and they bring it back and it's not quite right, it takes a lot more time to explain. Rather than being there so you can work something out immediately, you've got to wait until an organized call where you can jump on. And if you've got a team of 20 and you and I are talking, well then that's got to be disseminated to the entire team and then you've got to rework stuff. So, it can slow things down, so productivity was not as strong. – Interviewee 6, UK, industry

In addition to taking longer, interviewees report that the creative flow and exchange of ideas is inhibited by the formalized communication process.

We have to do things in a structured way using zoom. We don't get the thousand ideas we used to get or the spontaneous conversations in the hall. Or the feedback we used to get. – Interviewee 10, US, government employee

The interviewee above mentioned that there is a lack of feedback. Another impact of lack of unstructured conversations means that information which might previously have been shared in an informal manner has to be formalized, meaning that less important information might not be shared, and more important information might be given greater weight once it is formalized. This could have detrimental effects on employees in situations where it leads to misunderstandings or decreased morale.

I feel that there's more innovation and collaboration and better ideas that come when you're in a room with somebody. And it's more impactful communication rather than just talking through zoom. Like, when I'm in a room and trying to coach somebody, I can get a whiteboard and start drawing things and get their feedback and we can figure out what's the best way that they can learn how to do something. Now I'm talking on Zoom, and yes, there are whiteboards you can use on Zoom, but it doesn't have the same impact. So, I feel communication is less impactful on Zoom than face to face. – Interviewee 11, US, industry

This interviewee above also mentioned that it is more difficult to coach newer employees using formalized communication, and the interviewee below mentions that it is more difficult to get quick answers or help on smaller things until they become formalized.

Yes, certainly remote working has its challenges with how we communicate and work as a team, how quickly very fast projects – for example, when I was in the office, I could quickly just ask people for help – now I'm trying to get people to help me but they're doing different things and in different meetings and I can't sort of interrupt their day to get the help I need. I have to wait until they're available to communicate with me. So that's been a big challenge. – Interviewee 11, US, industry

For university students, there is the perception that virtual university lacks building discussion skills and the ability to think spontaneously.

One of the main ones that comes to mind is that online education gives professors a lot more tools to throw at us. They can give us online books... I mean, it's all online. And so, they just send it out at the beginning of the week, and it's all due at the end of

the week, half of it grades itself so that we're not discussing our answers or anything in class.

So, it just again feels very formal. And I feel like, you know, there's so many dynamics that are lost with something so formal and disconnected, when you need those skills for the workplace, you know you need to know how to work with other people. And I mean... people can't talk to each other like they used to. They're losing some of the quality and their ideas and the way they come up with stuff. And so, I feel like there's just a total lack of that preparedness of learning how to work with people and professional setting. – Interviewee 20, US, recent university graduate

This interviewee went on to state his perception that while he felt his answers were better because he had more time to think about them, he didn't feel ready for the workplace, or even graduate school, because he didn't think he could think fast enough to come up with spontaneous answers, and to a certain extent, he didn't feel prepared for an unstructured environment because his university courses had been so structured.

No. And as far as you know, we talk about preparedness for a job, but even preparedness for going to Graduate School. Absolutely none. It's all, I mean, it just was all book work. You know every online class I feel like is just structured. So similarly, where you just have you know you have one assignment, you have one quiz, you have one discussion board every week and it just repeats the next week with the different chapter of the book. – Interviewee 20, US, recent university graduate

From the opposite side, one interviewee said that it's been more difficult to help her university students since classes have been online:

With these online classes, I feel over and over again if I could just have this person face to face for five minutes, I could figure out where they're struggling, I could show them how to fix it, and I could retain this student. – Interviewee 4, US, former industry employee and current university lecturer

This section has discussed some of the perceived changes due to the increase of the *downwards economic constraint* of formalized communication, which is reportedly changing the way in which individuals are communicating at work and at university. Interviewees mentioned perceiving several important work outcomes from formalized communication: slower communication, lack of ideas, lack of informal feedback, difficulties in training and getting help quickly on projects. A university student also mentioned that formalized communication has left him feeling like he may not be fast enough to work in an unstructured environment or come up with ideas quickly in the workplace.

The long-term impacts of this *downwards economic constraint* might not be known for months or years, but lack of spontaneous discussions and spontaneity of ideas can stifle innovation and slow productivity, and both employees and students are already perceiving the effects.

#### 4.4.1.2.3 Increased flexibility in work location

Although many of the *downwards economic constraints* reported have been negative, there is one which is widely perceived to be positive by employees, that of working from home. Higher rates of working from home and satisfaction working from home were reported by interviewees in all three countries.

The field where the intelligence, not the onsite work is necessary, is more flexible employers. My employer became more flexible. He wants you to be in the office often but now I'm totally working from home. And other fields, I don't know. But yes. More



flexible is what I see. – Interviewee 5, KOR, industry employee – former university employee and former government employee

It's funny, I have spoken to a few former colleagues of mine, and they said it's been pretty much the same, in fact they get through more being online because you've obviously got no commute times, you know. But there's a bit of burn out associated with that, as well, so people are sort of getting more tired. – Interviewee 6, UK, industry

Despite many perceived benefits, some interviewees still perceived downsides to having flexible work locations. Interviewees from Korea again mentioned lack of socialization, as well as university students who reported being unable to network or unable to gain work experience, and some interviewees felt that the structured work didn't have the same quality of building quick-thinking graduates as unstructured work in the classroom would have.

This *downwards economic constraint* of increased flexibility in work location might have positive impacts on the quality of life for employees, but it might also have negative impacts on socialization at work and university. This mechanism also deserves further study since there are still many work-at-home policies in effect in 2022 and it is unclear whether all employees will ever go back into the office as they had before.

#### 4.5 Conclusion

This chapter has explored many different perceived *downwards economic constraints* that individuals report they encounter both before entering the workforce and throughout their careers. Pre-employment *downwards economic constraints* include the perception of the necessity of obtaining a university degree and perceived difficulties in job acquisition. The perceived pre-employment mechanisms surrounding a university degree include the cost of getting a degree as well as the inconsistencies in ideas regarding the

skills received and the probability of receiving a good job once graduated. Interviewees report that these mechanisms can affect individuals by making them question whether they should obtain a degree, and how much value they have in the market once they have received it. If true, this can affect their subsequent decisions and interactions on issues such as to how to use their degree or how much compensation to ask for, which can have both short- and long-term effects on their economic contribution.

The perceived pre-employment mechanisms regarding job acquisition are the lack of demand for graduates, oversupply of graduates, especially in certain fields, difficult application processes and long wait times. Interviewees reported that these mechanisms can affect individuals by delaying or even prohibiting them from making an economic contribution if they cannot find a place in the economy. They also mentioned that these perceived mechanisms can also discourage individuals from competing for better jobs or applying for what they would really love to do because they believe the competition is too high or it will take too long. If true, these constraints may also force individuals to make alternative arrangements and impact the overall well-being and feeling of value that individuals have about their economic contribution.

The *downwards economic constraints* individuals encounter on the job include high stakes, poor management practices, and inflexible work structures. Interviewees perceive that these mechanisms place downward pressure on individuals in the workplace, which can greatly affect their ability to do their work, get promotions, or do their job successfully. If true, these mechanisms also affect individuals' abilities to make decisions and have successful interactions in the workplace.

The two *downwards economic constraints* which I consider passive and can follow individuals throughout their careers are lack of mentorship and limited lifestyle, or the idea that no matter how hard they work, employees cannot look forward to their economic future. The *downwards economic constraint* of lack of

mentorship has been reported by interviewees to inhibit an individual's understanding of his or her job, of the industry, of what they have to do to be promoted, and when to switch jobs for better pay or to increase their skills. The lack of mentorship was mentioned in all three countries, and keenly felt by interviewees in all age groups and at all stages of their careers.

The *downwards economic constraint* of limited lifestyle, the idea that individuals do not have an economic future to look forward to, was pervasive among the younger interviewees. Interviewees mentioned not being able to afford housing, marriage, or children; taxes and interest rates that would affect their purchasing power; as well as lack of pay, promotions, vacation time, sick time, or health insurance. This overarching constraint is perhaps the most important because this perceived economic uncertainty is reported to dampen the motivation to engage fully in economic activities.

The last *downwards economic constraints* stem from the Covid-19 pandemic, which served to exacerbate many of the already existing constraints and introduce new constraints. Three of the new *downwards economic constraints* had to do with the fact that configuration of workers changed when many began to work from home rather than in an office building together, and interviewees perceived the new mechanisms of lack of socialization, formalized communication, and increased flexibility in work location. Lack of socialization was mentioned primarily by workers in Korea who felt that their work relationships were inhibited, and among university students who felt that it inhibited their communication skills and ability to get internships. Formalized communication was perceived by interviewees in all three countries and across age groups. The last mechanism was higher taxes for workers, mostly mentioned by interviewees in the US and the UK.

These mechanisms compete the first box of the configurational mechanisms from Table 4-2.

Table 4.5-1. Data on configurational mechanisms from both rounds of interviews.

	<b>Configurational mechanisms</b>	<b>Normative mechanisms</b>
<b>Downwards</b>	<p><i>Downwards Configurational mechanisms, or downwards economic constraints</i></p> <ul style="list-style-type: none"> <li>• Pre-employment mechanisms:                             <ul style="list-style-type: none"> <li>• University degree</li> <li>• Job acquisition difficulties</li> </ul> </li> <li>• On-the-job mechanisms:                             <ul style="list-style-type: none"> <li>• High stakes</li> <li>• Poor management practices</li> <li>• Inflexible work structures</li> </ul> </li> <li>• Career-impacting mechanisms                             <ul style="list-style-type: none"> <li>• Lack of mentorship</li> <li>• Limited lifestyle</li> </ul> </li> <li>• Covid-19                             <ul style="list-style-type: none"> <li>• Lack of socialization</li> <li>• Formalized communication</li> <li>• Increased flexibility</li> <li>• Higher taxes</li> </ul> </li> </ul>	<p><i>Downwards Normative mechanisms</i></p> <hr/> <p style="text-align: center;"><i>Chapter 5</i></p> <hr/>
<b>Upwards</b>	<p><i>Upwards Configurational mechanisms</i></p> <hr/> <p style="text-align: center;"><i>Chapter 7</i></p> <hr/>	<p><i>Upwards Normative mechanisms</i></p> <hr/> <p style="text-align: center;"><i>Chapter 6</i></p> <hr/>

This chapter has outlined a variety of perceived *downwards economic constraints* that individuals face before the workplace, in the workplace, and beyond. While these constraints operate relatively independently of each other and may not always manifest across different context, they were notably reported in the countries studied. There may be places where one or more exist and one or more of the others do not. However, all categories of mechanisms were mentioned across all three countries.

What is most important is that these mechanisms do not operate in isolation, and the effects of these mechanisms can influence and interact dynamically with the other three boxes in the table, a theme that will be further explored in Chapters Five through Seven.

Bringing it the literature review for a moment, mainstream economics often fails to capture these nuanced dynamics because it is not analyzing data from the perspective of the individual, rather, it analyzes aggregate data of the behavior of individuals without their reactions, emotions, or understanding their decision-making processes. However, when we look at this data from the perspective of the combined reflexive lens, the data reveals to us that individuals are *not* unemotional and rational. As we will see in the subsequent chapters, these perceived pressures from *downwards economic constraints* can cause individuals to respond with complex, emotionally charged decisions regarding their roles in the traditional economy. This raises the question, if downward pressures become too much, what will they do?

In conclusion, Chapter 4 focused on the *downwards economic constraints* that are operating in the economy, giving us an idea of what material or spatial mechanisms are putting downward pressure on individuals. In contrast, Chapter Five will shift the focus to normative downwards mechanisms, which will give us an indication of the beliefs and values applying perceived downward force from the wider economy to the individuals within it, pressuring them to conform to these perceived pressures.

## 5 Downwards Normative Results, or *Cultural Economic Constraints*

Probably the most important aspect of the economy that mainstream economic theory can't tell us is how individuals *feel* while working in it. By assuming that individuals are unemotional, rational agents, it is assumed that these individual agents will go to work in any context for the most money because that is the rational thing to do. However, this perspective overlooks the complex reality of how people feel and behave in their work environments. The last chapter gave us a picture of some of the *downwards economic constraints* putting pressure on individuals in the economy, and an indication that when the pressure gets too much, it can affect individual decisions and their interactions with the economy.

This chapter is where we can begin to understand the analytical power of looking at the data through the *combined reflexive lens* used in this thesis. Viewing the data in this way allows us to examine the downwards normative mechanisms putting perceived pressure on individuals in the economy, forcing them to conform or change their behaviors in order to fit into the economy. Taking the perspective of the *combined reflexive lens*, we recognize that individuals are emotional, volitional, and creative beings, interacting with larger institutional and social structures and events. These downwards normative pressures can function to emotional distress or even to change their individual decisions or interactions with others regarding their contribution to the economy.

These downwards normative mechanisms are often tacit – unwritten and even unspoken rules that individuals learn as they begin to adjust to the context of their economic situation. For this reason, I have termed them *cultural economic constraints* in this paper. We can intuitively understand the idea of how these *cultural economic constraints* can emerge through human interactions and place downward pressure on individuals by looking at two organizational charts side by side, let's say Coca-Cola and Google. The *cultural economic constraints* operating at Coca-Cola, a blue-chip traditional company over 130 years old in the retail space, are going to be completely different than the *cultural economic constraints* at

Google, a 24-year-old software and advertising company operating in the tech space. Each of us intuitively knows that the individuals in these companies would have different values, different ideas regarding the idea of work and what is important; and the interactions of these individuals would lead to the emergence of two completely different company cultures. The *feeling* of working in these two organizations would be completely different, and the process of adapting to the cultures would be more or less, depending upon the individual new hire trying to conform to the context.

This chapter uncovers some of the various *cultural economic constraints* that individuals encounter when attempting to make an economic contribution. Individuals can encounter some of these mechanisms even before they are employed, learning norms and beliefs about work from parents or friends who have more employment experience. Then, from their very first interview all the way through to their last days on the job, individuals are learning, adapting, and conforming to downwards mechanisms and evolving spontaneously as their job, workplace, and the larger economy continue to evolve.

## 5.1 Conforming to job context constraints

Upon entering the workplace, individuals report that they immediately perceive *cultural economic constraints* associated with their new job. Some of these reported *cultural economic constraints* involve aspects of the job, such as learning to start at the bottom, working to fill the gaps in your knowledge, accepting feedback, learning to accept the pace of development and adapt as the role and the company adapts. These *cultural economic constraints* are perceived to place significant pressure on individuals to adapt quickly in order to fit in with the culture and keep their position in the economic structure. Failure to quickly adapt can result in being marginalized or quickly exited from the organization.

### 5.1.1 *Starting at the bottom*

Interviewees reported the perception that for many new graduates, understanding they are starting from the bottom is a very difficult adjustment.

Interviewee 11: That's always been a problem between academia and workforce graduates. They can't do any job. They have to learn everything while they're working. So that's a big problem.

Interviewer: How long do you think it takes before they get competent in a field like yours?

Interviewee 11: Five years.

The nature of work is such that while graduates might already expect to be competent, that may not be the case when they enter the workplace. Interviewees who are experienced employees report that it took them years and can still take new graduates years to learn what they need on the job and to work up to competency.

This process of understanding how much they don't know about the job requires individuals to take feedback well. Of course, it takes some new hires longer than others to realize how much they need to learn about their job and the industry.

Kids today want to come in and be the president of the bank on day three, and we have to tell them there are number of steps involved in that. You have to learn things and do things, and there's no substitution for experience. –

Interviewee 10, US, government employee

Many interviewees expressed the idea that going into the work context for the first time was a daunting experience. Many felt pressure to work extra hours to learn the job or were afraid that they wouldn't be able to learn everything. Individuals reported that newcomers must learn strategies to deal with the situation, and those who are not able to deal with the pressure may find themselves forced to make decisions they don't want to make or have interactions they don't want to have.



This *cultural economic constraint* that new workers don't know anything about their new job usually necessitates the next mechanism, which is learning how to work under supervision.

### 5.1.2 *Working under supervision*

Until an individual is competent in his or her field, there is another type of *cultural economic constraint* that often comes into play - that of increased supervision to ensure that the person is conforming to the work context, meeting the company standards, and performing well. Of course, new graduates are used to working independently on their assignments, having been trained to work more and more independently as they progress through university, so their level of supervision on tasks by their final year is quite low.

However, the work context is vastly different than the university context. Rather than simply having individual consequences such as grades, there are consequences for one's job or even the whole team if work is not done well. Consequently, supervision from coworkers and managers may be high until the senior employees are satisfied that a new hire's work will meet the company standards or expectations of the client as far as timeliness and quality. However, individuals reported that having people watch over them may make new graduates nervous or give them performance anxiety.

Yeah, I found [the internship] very difficult at first because my tutor, I don't think she really trusts me, so she tried to like, uh, supervise me each step like... it's very terrible. Like hell. She will ask me like, "How long will you finish this? And like how long will it take your time to finish this? And you must finish this before this day." Like this kind of stuff. Like I feel very nervous at first, but at least I just, like, get used to it. – Interviewee 19, UK, university student

Many interviewees reported that working under supervision or increased supervision can impose downward pressure on individuals in the economy. They reported that this pressure forces individuals to learn strategies to cope with increased supervision so they can be successful in their jobs.

Interviewees perceived that if individuals are not able to conform to the work context by working well with supervisors and building good, long-term relationships with different types of supervisors, it can greatly affect their ability to be successful in their jobs.

### *5.1.3 Adjusting to the varying nature of work*

Two interviewees pointed out that the nature of the tasks is not the same between university and work. Rather than simply doing the types of case studies, or the same study questions for every chapter, real work is varied, and the types of tasks change for different projects:

Okay, the things I learned from books are kind of prototypes. But when I got employed and when I worked, there were many variable things in real work. – Interviewee 1, KOR, university employee

When I talked to people that had already done an internship, they already know that it doesn't matter what your study you're going to get to a completely new thing like on the other side. – Interviewee 18, UK, university student

To fit into this 'completely new thing', individuals have to do different types of tasks such as administrative duties and relationship building which are seldom addressed at university:

So, in school it was more like just 'memorize this page from a textbook, and then we'll take that test'. Like, that's all you gotta do is just memorize it and then you're good. And then in the real world, when you come here, it's like, "Oh, you have to figure out how to get jobs, how to make connections with people you have to meet people. Like,

there's so many more things that go into it than just 'Oh memorize this and do it'. ...

But no, there's so many more things that go into it like getting those auditions, finding the right team members for you, and just everything. – Interviewee 21, US, university student

Interviewees mentioned that when in university, the teachers give the assignment and the parameters, often assign the teams, and set the due dates. However, when at work, that responsibility often falls on the individuals. They might have to find clients and sell their services as well as set up the projects, teams, and due dates. In addition, the exact services each client might want may vary.

This *cultural economic constraint* of adjusting to the varying nature of work can be extremely difficult for individuals, especially as they begin a new job, are assigned new duties, or receive a promotion. The idea that an individual's job doesn't remain the same but will vary from project to project or over time can be difficult for individuals to adjust to, especially if they are new to the working world. However, the individual must conform to the workplace expectations for their performance, and to do so, at certain times it will be necessary for individuals to fill gaps in their knowledge.

Interviewees report that successfully adjusting to the varying nature of work requires a certain motivation and self-drive to fill skill gaps that are not fulfilled by the company:

So, when I went to university, I understood the gap, and I trained myself. The graduates now, they see the gap, but they don't want to do anything about it. They're expecting us to train them. Nobody is staying after hours to learn; nobody is staying on the weekends. I stayed back after work, I worked on weekends, I did whatever I could to learn the skills that were missing. The graduates today do not understand that, and if they do, they don't want to fill the gap. They're just expecting us to teach

them everything, so they don't have to go through any hardship. – Interviewee 11, US, industry

The idea of filling the gap doesn't stop once one reaches competence in a position. Companies change, jobs change, technologies change, and processes change. Employees need to be able to adapt and learn as these things occur.

Even the people we hire with 2-3 years of experience still don't understand that you have to be able to pivot, change quickly, the demands of your job will change quickly, the structure of the organization is going to change. – Interviewee 11, US, industry

As exemplified by the quote above, this *cultural economic constraint* is tacit, an unwritten and unspoken rule that individuals have to learn through experience in the workplace. Several interviewees stated that if an individual does perceive the *cultural economic constraint* of adjusting to the varying nature of work, he or she will almost certainly have difficulty with job performance and may not even know why. This constraint can affect an individual's ability to be successful at the job, receive promotions, or switch between organizations if necessary.

#### 5.1.4 *Learning to perform with structured time*

Time management is a key skill that is sometimes taught to employees for better organizational performance. However, most interviewees felt they had developed time management skills during their educational tenure. What many interviewees reported they hadn't developed, however, was the ability to work under structured time. They perceived the transition to structured time to be quite difficult.

The idea of time is often a subtext under other ideas mentioned by interviewees because the time scale is so different at work than at university. Interviewees mentioned that for students, there is a lot of leeway in how time is spent while at university. Individuals can choose to study whenever and wherever they like, as long as their assignments are finished on time.

Once one is employed, however, all of this changes. If one doesn't have a virtual job, they have to be in the place of work for eight or nine hours per day, five days per week, at the assigned times the company expects. Employees are given tasks with certain deadlines, meeting times and breaks are usually set and determined by the company, and overtime is sometimes required when the company is the busiest, which is also when employees are the most fatigued.

Interviewees often stated they did not expect these changes to be so difficult for them.

I did find it hard, because I went from college teaching to industry, where a college professor, like a student, chooses how to use that free time. Whether it's prep or grading or I'm just going to take an hour off or whatever, so going from that unstructured time to a strict 7:30-4:30 or whatever was hard. – Interviewee 4, US, former industry employee and current university lecturer

These *cultural economic constraints* cause intense pressure for new graduates, and they either learn to conform their behavior to the expectations or they don't last in the job.

It was really, really difficult. And it took a long time to get used to it, get used to the work lifestyle. And I don't have much time to myself, like hobbies or having my own time. I have to think about my job after my work, so it's really difficult. Yeah, I had really big difficulty. – Interviewee 8, KOR, recent graduate, industry

In addition, the second interviewee above mentioned that she had to take work home in the evenings and didn't have time to pursue hobbies after work.

Of special note within the work context of time are specifically time urgency and time management. When at university, students usually have plenty of time to finish their assignments, and plenty of advanced warning before tests. However, the workplace has different notions of time. Interviewees reported that

assignments might be due within weeks, or days, or even within hours. Clients might call for urgent updates or requests, and the boss might stop by for a surprise update on a project before a meeting. This means that individuals must be prepared at all times for what is coming and for unexpected events. Even if an employee plans ahead, the schedule may change. In addition, procrastination, while possible and even tacitly understood at university, is usually ill-advised on the job.

I would say where it doesn't necessarily translate is where for example you have a paper due the next morning and you're up until 3 the night before trying to finish it. I feel like in the work environment you don't really have that. I mean sure, you have deadlines, but I guess if you're good with time management you're never going to get into a scenario where you're working until 3 am, or rarely get into the scenario where you're working until 3am to get something done for the next day. But I guess time management is something they don't really teach in college. That is something for the education sector to emphasize and teach, because time management is kind of a soft skill that is very underrated. I think it's probably one of the most important that you don't learn. – Interviewee 2, US, industry

Interviewees reported that they had to learn quickly that performance must be high during all work hours in order to meet deadlines and get all of their work done during the allotted time. Otherwise, they would be forced to take work home to finish it. To deal with this perceived cultural economic constraint, individuals said they have to find strategies to ensure they are alert and able to work at maximum capacity even at times when their energy is low.

This *cultural economic constraint* of performing during structured time was reported to make it difficult for graduates to adjust to working life and feel comfortable in the work environment. This constraint can also become a burden for long-term employees at different times in their lives for various reasons –

interviewees mentioned that pregnancy, illness, and family reasons can make it difficult for employees to sustain the work norms that the economy expects consistently over a thirty- or forty-year career.

The *cultural economic constraints* discussed above regarding the nature of work – starting from the bottom, working under supervision, adjusting to the varying nature of work, and learning to perform with structured time – place downward pressure on individuals in the workplace, forcing them to conform to or develop strategies to deal with the norms of the economic institutions or their direct environment. If they are not able to deal with these downwards mechanisms effectively, it can greatly affect their abilities to perform at work and have successful interactions with their peers.

These aren't the only types of *cultural economic constraints* that can put pressure on individuals. Another type of *cultural economic constraint* is sociocultural mechanisms, which can also put pressure on individuals to conform to the sociocultural context of their economic environment. These will be discussed in the next section.

## 5.2 Conforming to cultural context constraints

This next section illuminates some of the perceived downwards normative sociocultural mechanisms that place pressure on individuals who are attempting to integrate into their workplace cultures. These constraints involve having successful interactions with others in the workplace, which includes learning emotional intelligence, learning not to speak one's mind, learning how to build relationships, and learning that work is not the place to make friends. These constraints are crucial as they directly impact an individual's ability to adapt to the workplace and maintain their position within an organization.

### 5.2.1 'Fitting in'

Interviewees perceived that 'fitting in' was a constraint that came with their job. This first anecdote is from a career IT manager, who stated that learning emotional intelligence was one of the most difficult downwards mechanisms he had to deal with.

Going into the workforce, my attitude was bad, as far as my attitude towards people and how I see the world, it was very much the mindset that was given to me by my parents. And that was very much one of 'it's done this way and no other way'. It was very emotional, everything was emotionally based, professionalism was kind of a very foreign concept to me. So I learned the very hard way, what it was to actually – and I'm still learning the hard way what it is to be emotionally intelligent, to be able to control your emotions, to be able to work with other people and play nice, and not drive a stake through them when they're not doing the right thing, although sometimes you're sorely tempted to do so. – Interviewee 6, UK, industry

Emotional intelligence includes strategies to deal with difficult people, and interviewees reported that not being able to deal with this downwards mechanism will make the workplace environment very uncomfortable. In addition, it can prohibit an individual from making a successful economic contribution because he or she is unable to work with others.

Perceived lack of emotional intelligence was also reported to lead to increased workplace conflict. The next interviewee points out that many graduates lack resilience when dealing with workplace conflict or issues when interacting with customers.

I think students are really resilient and the fact that we all can crank out a 10-page paper in five hours because we have to. But we're not very resilient in workplace conflict or customer service or any of those kinds of dynamic social roles that we have to fill as soon as we get to the workplace and aren't just buried in a book. So, you know, it's not like colleges is an easy time for anybody, I don't think. And there's a lot of resilience that goes into that. But I feel like it just doesn't translate to the workforce. – Interviewee 20, US, recent university graduate



As indicated in the quote above, many interviewees perceived that the transition from an academic environment predominated by individual learning to a workplace with many dynamic and social interactions can be difficult. One has to be able to observe and conform to the norms to have a successful work experience.

Another issue that can lead to workplace conflict is not knowing when to be silent. This next interviewee perceived difficulty at his job because he spoke up too much:

One thing university does not teach you is that you have to be very careful what you say at a company. I was a very open book, very innocent in many ways of how to adapt to work culture – so if I saw something that was wrong, I would say it. And you can't do that at work. I got in trouble a couple of times where the manager had to contact me. Because even though I was doing great work, I could see things that were happening that weren't fair, and it wasn't my position to voice that. I didn't have the authority to voice it. So, I got in trouble. That's one of the reasons why I left. They didn't want me to go, but I was really young and naïve, and I didn't want to be in a work culture that fostered discrimination or biases or unfairness. I didn't realize at the time that every organization is like that. – Interviewee 11, US, industry

Another interviewee mentioned that there have been increasing levels of HR regulation about things that can and can't be said at work, to where he feels like he can't speak to people in a straightforward manner anymore.

But you've got to watch everything you're saying now because everything can be misconstrued. The whole thing of being able to be yourself – yes that's actively encouraged because they want diversity, yet they say you can't say this and you can't say that, you can't do this and you can't do that, so being able to talk to someone

straight down the line is not appreciated by some people and that becomes a point of contention, shall we say. People play the game with the HR side of it. – Interviewee 6, UK, industry

Another downwards mechanism that can put pressure on individuals in the economy is that it may be difficult to find friends in the workplace and may even be ill-advised.

In college, even though you have tons of work, you have tons of freedom and maybe you're having fun and friends, and it's really jarring to go to a place and it's like, okay now you're here forty hours a week and you do that, and you go home. Maybe you make work friends, but some people do, and some people don't. It can be a cultural shock to the person, to not be used to that. Maybe that's why they get three or four jobs before it finally sticks that this is what it is. – Interviewee 3, US, industry

*Cultural economic constraints* also manifest in the area of friendships. While some workplaces may have a close-knit community, other workplaces might limit deeper connections due to professional boundaries.

When I was first recruiting it was more about can you have a beer with this person, and can you actually tolerate any little idiosyncrasies they might have. So, it was more of a friendship type thing. And that's probably the biggest thing that I've noticed – I was always looking at work as a place where I could make friends, rightly or wrongly, that was that attitude that I had. Now it's more of a professional/collegiate atmosphere and friendships are – I wouldn't say discouraged – but it's just not the done thing anymore. You've got other avenues to have friends and so forth. – Interviewee 6, UK, industry

As shown above, these *cultural economic constraints* are perceived to significantly impact an individual's behavior and interactions as he or she is adjusting to the work context. Interviewees reported that these *cultural economic constraints* can create feelings of loneliness in individuals who have to significantly alter their behaviors for the sake of their work.

### 5.2.2 'Living the job' and 'Going the extra mile'

The second type of perceived *cultural economic constraints* that individuals may encounter on the job is that of how much they have to 'live the job'. The ideal of 'living the job' can encompass many different ideas – it might be stated as identifying as one's profession, working until work is finished rather than worrying about regular hours, or even work ethic.

Having the same understanding regarding work ethic and work completion, or 'living the job' was perceived to be important for it creates a team where everyone is pulling the same amount of weight. An older employee explained it thus:

Capabilities are, you know, yes, they need to be able to do that, but they need to fit. But for me, can they do the job, are you going to get your pound of flesh out of them, are they going to have the same attitudes as you for the work - so are they prepared to stay back, are they prepared to work weekends if necessary, are they prepared to pull out all the stops to see a project over the line, not a lot of people do, right? Some people just do the job. Some people live the job. That's what I've always done, and it's probably cost me plenty in terms of blood, sweat, tears, stress, gray hair, more tears, more stress. – Interviewee 6, UK, industry

We can see several smaller norms at work within this quote above. The norm of working extra hours, including nights and weekends. The norm of finishing a project on time, no matter what. The norm of

'living the job' as part of your identity. New hires working in this organization will have to conform to all of these norms to be successful in this organizational culture.

When beginning a new job, many interviewees reported not understanding these tacit *cultural economic constraints* and noticing that new graduates also don't understand them.

Yeah, I would say that maybe school doesn't teach you – they prepare you with the knowledge to get the job, but they don't teach you – going the extra mile. There's many ways to do that in the workplace. With college, it seems they're just trying to get you in the door. And then people get in the door and their success rate is varied because some people work hard and some people don't understand – if you're just going in and working your forty hours or doing your twenty-hour internship and then you leave, that can be seen by the company as that they don't care. Or not even that they don't care, but the company is going to hire people who stay late and ask tons of questions and all that. – Interviewee 3, US, industry

Many interviewees mentioned versions of these cultural norms – which vary slightly from workplace to workplace - and one interviewee gave some insight into why new graduates might not understand the norms:

I mean colleges give you just a ton of work thinking that simulates work but maybe there needs to be some type of workplace simulation in college. I don't know how you do that but just giving people a lot of work doesn't teach them work ethic. – Interviewee 3, US, industry

Interviewees reported that universities do not adequately simulate the demands of the workplace, like work ethic and going the extra mile:

But if I was to pick one – which is the most important for me – it’s motivation. Because skills you can teach, but you cannot teach motivation and attitude. So, we can hire someone with all the right skills, they still might not want to go the extra mile or do what’s got to be done to make clients happy. Then we’re left with a problem. We’re paying somebody a lot of money and they want to finish work at 5 o’clock every day, and in our industry, sometimes you don’t finish until 7 or 8 at night. So, it’s very difficult when people don’t want to do those extra things. – Interviewee 11, US, industry

The *cultural economic constraints* reflected in this quote are much the same as the ones above, working extra hours, doing what has to be done to finish projects, and ‘living the job’, or understanding the expectations of the industry. Industries all have different *cultural economic constraints*, which may vary widely from industry to industry, as seen in this example of a new graduate who works in the emergency medicine department of a hospital.

There's a different culture in emergency medicine than a lot of different jobs or industries in general so. Yeah, definitely a weird... not weird... very different culture. And a lot of people's attitudes towards different things when we see terrible stuff and have to do some terrible things frankly and so. Uh, you know, definitely a big adjustment to seeing that stuff and doing that stuff, working in that kind of environment, very intense. And definitely not as easy as sitting at a computer and typing about something I read in a book. Uh, which really has been my whole education and preparing for the past four years. – Interviewee 20, US, recent university graduate

Work ethic in the cultural context mentioned above is not just having a lot of work, it is doing whatever it takes to finish the work on time and to a standard that matches the cultural norms. While at university,

students may work harder on some assignments than others, and there may be times when they don't have to work as hard to pass a class. At work, however, assignments always have to be done on time and to the standard. New graduates will be met with many different downwards norms, which if not conformed to, will probably have increasing negative consequences for their careers.

We can also see this *cultural economic constraint* mentioned explicitly between generations in Korea, where one of the interviewees said that the older people's expectations are too high for graduates just starting out in their jobs.

Interviewee 8: Like, in South Korea, sociality [socialization] is really important, because there are a lot of older people in the company, and most of the new employees in the company are like 25-26 years old so it's really hard to get along with [the elders]. And we all have different thinking, so I think most people in South Korea think sociality is really important. And that comes from the experiences as a student, meeting a lot of people, meeting foreigners, having customers – experiences make sociality in people like me. So, it really affects employees in South Korea.

Interviewer: So, what you're saying is that your degree didn't really teach you how to go into a business and socialize with people older than you.

Interviewee 8: Yeah, right. And they have like, high expectations because we have high – we graduated from a good university so they have high expectations, but we cannot meet the high expectations.

These high expectations as well as 'living the job' and 'going the extra mile' illustrate some of the perceived *cultural economic constraints* that operate outside of formal job descriptions influencing individuals in the workplace as they try to integrate into the culture.

### 5.2.3 Dealing with age

The last perceived *cultural economic constraint* discussed by interviewees that will be shared in this thesis was that of age. It was first mentioned in Korea:

Age. Age is everything here. There's so much ageism. You try to start a new career at a certain age – you're too late. Well, I'll just kill myself and be reincarnated – maybe that will give me another opportunity. There's a lot of suicide here, a lot of depression. Because people are constantly telling you, you're too late, you're too old, or whatever.

– Interviewee 9, KOR, university lecturer and government employee

Age is particularly difficult for individuals because it is something that they cannot control. One cannot change their age to conform to this mechanism, interviewees mentioned that they can only try to develop strategies so that others will overlook it. However, that may not be possible when it comes to the company's bottom line:

Corporate America is set up like a fine-tuned production line. You can only work on the production line if you know how to do the job and have experience, so the company can maximize their return on investment. The corporation will only want you as long as you keep maximizing their return, and as you age, you cost too much money for that to happen. Especially healthcare costs. - Interviewee 11, US, industry

This *cultural economic constraint* was perceived to impact interviewees greatly in Korea and the US. Interviewees in the UK did not mention this mechanism, so it is unclear whether it has the same impact in that society and culture. However, in Korea and the US, interviewees reported the widespread perception among employees in the corporate world know that by the time they are in their 50s, they have a limited shelf life.

The *cultural economic constraints* in this section included ‘fitting in’, ‘living the job’, going the extra mile, and dealing with age. Individuals are under pressure to conform to the sociocultural context of the economy and their specific work environments as they try to make their economic contribution. How well individuals develop strategies to conform to these mechanisms or deal with the pressure can greatly affect how they make decisions and conduct their interactions with others in the workplace.

### 5.3 Work is perceived as meaningless

Many interviewees reported that their perceptions of work and its meaning were formed at a younger age, either from their parents, school, or their peers. Therefore, they already have ideas about what it means to work, whether their work will be meaningful, and what the nature of work will be.

Many interviewees seemed to think that working in business has no meaning. The Gen Z interviewee below mentions working in today’s economy as being ‘just another cog in the machine’.

I think the sense of identity is more of a prevalent motivation throughout history, as like the Industrial Revolution has kind of gone along, and there’s been a lot of discussion surrounding that. Because if you don’t like already know, which I’m sure you do to some extent, there’s been a significant loss of purpose ever since the Industrial Revolution because people feel that they aren’t really contributing anything to the world if they’re just another cog in the machine. Right? – Interviewee 13, US, university student

This interviewee has never held a job and is still in university. He said his views come from what his parents have told him about work, as well as his peers, his education, and his own observations.

There was a perception among many interviewees that work lacks personal significance. Gen X interviewees seem to view work as drudgery, as with the interviewee below who mentions that it takes ‘discipline’ to work in a ‘cube’.



I think for me personally, because I worked for my dad growing up, I learned discipline from him. I remember my boss saying to me one time, I don't know how you do everything you do, and I said, well, you're a lot easier to work for than my dad! [laugh] So I can make myself do it, but I can remember sitting in a cube and hating it with every fiber of my being. – Interviewee 4, US, former industry employee and current university lecturer

This perceived *cultural economic constraint* of viewing work as meaningless, like drudgery or paid slavery, creates doubt in the minds of individuals as to whether they want a job at all, or whether their efforts will be wasted on meaningless efforts. If they cannot confront that mechanism and find meaning in their work, interviewees report that it can influence their enthusiasm for the job, how individuals make decisions while about their work and the interactions they have with others at work.

#### 5.4 Covid-19 and *cultural economic constraints*

Interviewees were asked whether they believed the Covid-19 pandemic had affected the *cultural economic constraints* in their places of work. Most interviewees said that the mechanisms had remained relatively stable, and they could not detect any noticeable differences.

However, most interviewees were working from home at the time of these interviews, so it makes logical sense that they would not detect any differences in workplace dynamics or cultural pressures until they eventually return to the workplace, or more time has elapsed for them to feel the differences through their virtual communication.

#### 5.5 Conclusion

This chapter discussed many *cultural economic constraints* which individuals perceive in the economy as they attempt to make a contribution through work. By adopting the perspective of the *combined reflexive lens*, we can see that individuals are emotional, creative beings going into work contexts that require them

to navigate a plethora of downward pressures. As alluded to by interviewees, these types of cultural constraints are unusually difficult to navigate because they are usually tacit, so individuals have to figure out the extent that they need to conform or the strategies they need to use to mediate the pressure for themselves.

The first type of *cultural economic constraints* that employees perceive is that of conforming to the job demands, which includes starting at the bottom, dealing with increased supervision, adjusting to the changing nature of work, and learning to perform at high intensity within the structured work hours mandated by their employers. These pressures can affect how successful individuals are in their decision-making and their relationships with others on the job. How well they master these downward pressures will help to determine how well they perform, their chances of promotion, and their workplace longevity.

The second type of *cultural economic constraints* that interviewees perceived is that of conforming to the social context of the job, which includes 'fitting in', 'living the job', and dealing with age.

The last *cultural economic constraint* that interviewees perceived was that of trying to find meaning and value in their work. The extent that they do find meaning and value will almost certainly affect their decisions and interactions as far as how much effort to put into the job, and how much effort to put into conforming to the rest of these constraints.

Interviewees did not perceive any differences in these cultural economic constraints due to covid at this time, but it is important to note that most interviewees were working from home and that may change in the future.

Table 5.5-1. Data on downwards configurational and normative mechanisms from both rounds of interviews.

	<b>Configurational mechanisms</b>	<b>Normative mechanisms</b>
<b>Downwards</b>	<p><i>Downwards Configurational mechanisms, or downwards economic constraints</i></p> <ul style="list-style-type: none"> <li>• Pre-employment mechanisms:               <ul style="list-style-type: none"> <li>• University degree</li> <li>• Job acquisition difficulties</li> </ul> </li> <li>• On-the-job mechanisms:               <ul style="list-style-type: none"> <li>• High stakes</li> <li>• Poor management practices</li> <li>• Inflexible work structures</li> </ul> </li> <li>• Career-impacting mechanisms               <ul style="list-style-type: none"> <li>• Lack of mentorship</li> <li>• Limited lifestyle</li> </ul> </li> <li>• Covid-19               <ul style="list-style-type: none"> <li>• Lack of socialization</li> <li>• Formalized communication</li> <li>• Increased flexibility</li> <li>• Higher taxes</li> <li>•</li> </ul> </li> </ul>	<p><i>Downwards Normative mechanisms, or cultural economic constraints</i></p> <ul style="list-style-type: none"> <li>• Conforming to job demands:               <ul style="list-style-type: none"> <li>• Starting at the bottom</li> <li>• Working under supervision</li> <li>• Adjusting to varying work</li> <li>• Structured time</li> </ul> </li> <li>• Conforming to the social context:               <ul style="list-style-type: none"> <li>• ‘Fitting in’</li> <li>• ‘Living the job’</li> <li>• Dealing with age</li> </ul> </li> <li>• Work is meaningless</li> <li>• Covid-19</li> </ul>
<b>Upwards</b>	<p><i>Upwards Configurational mechanisms</i></p> <hr style="width: 50%; margin: 0 auto;"/> <p style="text-align: center;"><i>Chapter 7</i></p> <hr style="width: 50%; margin: 0 auto;"/>	<p><i>Upwards Normative mechanisms</i></p> <hr style="width: 50%; margin: 0 auto;"/> <p style="text-align: center;"><i>Chapter 6</i></p> <hr style="width: 50%; margin: 0 auto;"/>

Bringing the literature review forward, we can see that these *cultural economic constraints* are overlooked by mainstream economics because of its view of the rational individual, but taking the perspective of the *combined reflexive lens* reveals the profound impact of these constraints on the individuals in the workplace. This perspective shows us that there are a number of reasons why individuals might feel their contribution to the economy is meaningless, or why they might have trouble conforming to the contexts of the workplace in order to perform well.

There is a hint or two in this chapter that new graduates just beginning their careers are more likely to see the norms that exist and feel the urge to rebel against them, which the people already working are only aware of them through complaining about younger people who are not yet conforming.

These *cultural economic constraints* are important, because they put pressure on individuals to conform their ideas and behaviors to those norms. And as we will see in Chapters Six and Seven, more downward pressure can create equally large normative and configurational pushback from those who do not want to conform.

What will happen when these two normative worlds collide? We are about to find out in Chapter 6.

## 6 Upwards Normative Mechanisms or Cultural Resistance

### Counterforces

In Chapters Four and Five, we saw many downwards configurational and downwards normative mechanisms, or *downwards economic constraints* and *cultural economic constraints*, putting pressure on individuals who are trying to find their place in the economy. In Chapters Six and Seven, we will be looking at upwards configurational and upwards normative mechanisms, or those which push back against these constraints.

These counterforces emerge from individuals as they interact with both the configurational structure of the economy and businesses, and the cultural aspects of the economy and businesses. These mechanisms can influence their decisions and their interactions with others in the economy, and through the combination of many individuals making the same types of decisions, create emergent features in the greater economy which no individual could have anticipated or might even desire to come to fruition.

As shown in the literature review, mainstream economic theory doesn't have an analytical framework to discover these upward mechanisms, nor a language to discuss them; however, using the *combined reflexive lens* we can see that the economy is created due to the creative, reflexive decisions of individuals as they make decisions and interact within the wider economy. Therefore, it is a significant omission to overlook both the downwards constraints as well as the upwards counterpressures from individuals which can create emergent events and influence the larger economy in greater ways.

In this chapter, we are going to explore some of these upwards normative mechanisms – hereafter called *cultural resistance counterforces* – found through analyzing the data. During the initial phases of analysis, it appeared that the upwards normative mechanisms discussed in this chapter were random wish lists – there were items such as high pay, immediate gratification, promotions, thrown together with anti-

capitalist sentiments and anger at the high price of student loans. However, upon closer analysis it became obvious that these upwards normative mechanisms are direct pushbacks against some of the *downwards economic constraints* in Chapter Four and the *cultural economic constraints* in Chapter Five.

This chapter gives three *cultural resistance counterforces* which are countermechanisms to the job context, not wanting to ‘start at the bottom’, ‘fill the gap’, and not wanting to ‘live the job’, as well as a section discusses upwards mechanisms specifically mentioned in relation to Covid-19, which can be a worsening of mechanisms that were already in existence, or the emergence of new mechanisms specifically related to downward pressures from the pandemic.

A poignant sentiment shared by an interviewee illustrates a broader sentiment felt across all age groups in all three studied countries:

This generation has given up seven things: romantic relationships, marriage, children, social relationships, a house, dreams, and hope. – Interviewee 9, KOR, university lecturer and government employee

Although this quote comes from Korea, this sentiment was expressed by interviewees in all three countries, and it appears to be relevant to almost all of the *cultural resistance counterforces* that exist today. This idea was briefly discussed in section 4.3.2 under the idea of ‘limited lifestyle’. Its influence is far-reaching because it deals with perhaps the most fundamental economic question of all for individuals – why work? If there is no meaning in work, and one cannot achieve their economic goals or even a middle-class life, then its fundamental purpose is called into question. This almost existential inquiry underpins the *cultural resistance counterforces* in this chapter as it appears that interviewees are beginning to assess not just the nature of work, but the rewards it offers in the context of increasing societal inequalities.

## 6.1 Challenging job context constraints

In Chapter Five, we saw many *cultural economic constraints* regarding the job context that require individuals to conform their behaviors and even beliefs to successfully perform their job. Unspoken and unwritten *cultural economic constraints* such as ‘starting at the bottom’, working under supervision, adjusting to the varying nature of work, and learning to perform with structured time, ‘fitting in’, ‘living the job’, and dealing with age place a lot of pressure on the individuals that work within these contexts.

This section illustrates the upwards normative mechanisms working against those downward pressures from *cultural economic constraints*. Individuals are demanding real work, real value, and real power from the moment they begin their careers. They are not content to learn slowly and wait for their moment to arrive.

### 6.1.1 Resisting bottom-up progression

Interviewees already in the workforce in all three countries perceived that new graduates are coming in and demanding equal treatment from day one. They expressed this as a large change from prior generations – while it used to be tacitly accepted that newbies or individuals who were lower on the corporate ladder would have to do the lesser jobs and get lesser treatment, older interviewees expressed surprise that individuals today in all three countries are demanding equal treatment. This is shown in a variety of ways, but individuals from all three countries mention it as being a pervasive change.

And now times have changed, people are expecting to come in at the entry level and be the boss and tell you what to do and stuff and that’s...a big difference that I’ve noticed. They’re expecting equal treatment. ... I think the attitude to people coming in now is one of, well they’re not coming in as juniors anymore. They’ve got to be respected as individuals who are capable in their own right. ... So, there’s a big shift in

that respect. And you've got to be able to tolerate that. You've got to be able to accept that and work with that. – Interviewee 6, UK, industry

One university employee who works with graduates getting jobs had a similar insight:

Probably what we have to do more of is managing expectations, you know. The students who think they're gonna be running Coca Cola in five years' time and whatever else at that. So, but that's a nice problem to have. And you know, working with students who want to work with you is always easier. – Interviewee 17, UK, university employee

The quotes above are examples of the perception that young people do not want to start at the bottom. An interviewee shared her perception that the idea of young people wanting to be treated as equals has evidenced itself through language and communication styles, challenging age-old Confucian norms:

It kind of explains here the Baby Boomers / millennials age gap. At the bottom are the different generations in Korea. A lot of people I've talked to in government say there are four or five different generations working together in their one team. And a lot of them have told me – people in their 30s, 40s and 50s have told me they're surprised at people in their 20s talking to them with conviction. Not talking back to them but talking differently than they're supposed to in a Confucian society. – Interviewee 9, KOR, university lecturer and government employee

Interviewees from Korea expressed that this idea of younger people speaking with conviction has never happened before, and the older generations don't really know how to respond. In addition, interviewees reported that some Korean companies are attempting to use English names rather than titles to refer to people, giving them the appearance of more equal status.



Well, a few companies tried – Kakao tried, Coupang tried, KT tried, Posco tried – which is a very traditional company – and LG tried – to make it mandatory for people to use English names. And it's worked in some places. KT and Posco have given up on the names, they've abandoned the practice of getting their employees to use English names. Some companies have gone to nim – adding nim to the end of the name. Like Christina-nim. So, they're still using names but not titles. They've even moved towards flat organizations. That's another thing that young people have mentioned that they want – to work in a flat organization. – Interviewee 9, KOR, university lecturer and government employee

The interviewee's perception that this changing use of language reflects a change in values might be interesting, and the second quote where it appears that traditional organizations are trying to make changes that would be consistent with the new values could indicate that they are responding to the values change. In addition, to being treated as equals, interviewees perceived newer employees also want to be paid as equals:

Too now with Covid-19, graduates and people with 2-3 years of experience are getting paid a lot higher salaries than even they expected at university. Because the shortage of people in the data and analytics world is intense and fast because technology has expanded so fast and there's so many different data streams that you can do analysis on. And so, companies need people a lot more than students expected. And so, people are looking at that and thinking, 'Well, I should be that. I should be a senior manager making \$120k a year.' – Interviewee 11, US, industry

Interviews indicated that younger individuals are not happy to 'stay in their place' at work. Along with the idea that they don't want to be seen as less or do entry level work because they are newer or younger, they also don't want to have supervisors telling them what to do:

I think that grads I have seen most recently want to hit the ground running and make something happen and be someone who contributes right away. They're not really looking to get into the corporate training program somewhere, they're looking to get into something where they're making a difference and they're actually working. I would say that's the kind of jobs they're looking for, the kind of opportunities. –

Interviewee 10, US, government employee

Interviewees perceived that younger workers feel that they should be doing positions and work which require higher-level skills and managing others, rather than having others manage them.

So, from university they think they're going to be walking into jobs and helping with client strategy and solve client problems. And they don't have the knowledge and the skills to do that. They're hired to go in there and do research, do data analytics, do decks, they're not hired to go in and think and strategize and manage. So that's the real disconnect now. – Interviewee 11, US, industry

This idea that younger workers want positions of responsibility equivalent to older workers could present a problem, because older interviewees stated that more experienced individuals already in the workplace know that what new graduates learned at university isn't necessarily relevant to the workplace, and there is another set of skills they need to learn before they can do higher-level work. Older interviewees expressed the idea that graduates who believe they have more skills than they do can cause problems for more experienced workers by not following the norms of working under supervision or accepting feedback from more experienced employees.

I think I'm pretty long in the tooth now so I pretty much know a lot of things, so people who sort of say, "Well, I'm this person, I have this job so you can just bugger off" – that winds me up to no end. So, there's different attitudes which are coming to the fore, and that's one of them. – Interviewee 6, UK, industry

They lack the ability to wait – delayed gratification. They are always jumping one or two steps ahead, wanting to get onto the next thing, whereas older people who have been in business don't do that. I think they want instant gratification and speed. – Interviewee 10, US, government employee

As evidenced by these quotes, these upwards normative mechanisms regarding younger individuals not wanting to start from the bottom or do entry level work can make it more difficult for younger individuals to get along with their older coworkers. They do not want to conform to the norms of the workplace, and that can create difficulties for the older coworkers when they want to produce work that is beyond their capabilities.

### 6.1.2 *Resisting skills expansion*

In Chapter Five, we saw the *cultural economic constraint* of individuals having to adjust to the varying nature of work. Interviewees are expressing a direct counterforce of workers not wanting to 'fill the gap' in their knowledge or do work that is outside of their direct tasks. One industry professional from the US described this trend:

Nobody is staying after hours to learn; nobody is staying on the weekends. I stayed back after work, I worked on weekends, I did whatever I could to learn the skills that were missing. The graduates today do not understand that, and if they do, they don't want to fill the gap. They're just expecting us to teach them everything, so they don't have to go through any hardship. – Interviewee 11, US, industry

This interviewee was able to give an anecdote of an interaction with an intern who was looking for a full-time job but was not willing to work outside of work hours to attain it.

I just spoke to an intern the other day – a good worker, she wants to get a full-time position. And I was explaining to her that was fantastic, she’s doing good work, but she might have to show a little bit more – I guess motivation, or maybe try to do some projects outside of the 9-5 or show that she’s excited and motivated to work for the company. Because I was explaining that to hire an intern and give them a full-time position, the company has to spend a lot of time and money training them up and giving them the skills they need to be a real productive member of the team.

The intern’s response to me was that she only wanted to work from 9 to 5 each day, she had a lot of stuff she was doing outside of work, and she didn’t want to compromise what she was doing outside of work, and she felt she could do it within her 9 to 5 schedule. And that was really surprising to me because here I have somebody telling me that they want a full-time position, I’m explaining to them what they need to get a full-time position, and then, they’re basically telling me that they don’t want to do that, but they still want that outcome. So that was very surprising. –

Interviewee 11, US, industry

This idea of not wanting to ‘fill the gap’ is a direct counterforce to the *cultural economic constraint* of going the extra mile. If younger workers resist expanding their skills, it could have huge ramifications for workplaces, leading to a more fragmented environment with each individual working on his or her own tasks and nothing more.

## 6.2 Challenging cultural context constraints

Interviewees perceived a rise in upwards normative counterforces challenging the traditional workplace expectations such as 'living the job' or 'going the extra mile'. They report that this resistance to traditional norms is leading to tensions, especially between different generations within the workforce.

### 6.2.1 Resisting 'living the job'

Interviewees perceive that individuals today do not want to 'live the job'. They expressed the idea that individuals today want fewer hours and time to pursue their own interests. This is shown in the quote below, where a quote from a local newspaper contrasts a viewpoint of a younger individual with that of his older colleagues:

So, what I wanted to show here was there is a lot of pushback. Let's see, this young person, 29, says, "People my age see this job as one part of their lives, but my superiors see their job as the most important part of their lives. They don't understand why young people don't have loyalty." - Interviewee 9, KOR, university lecturer and government employee

This perception that young people don't want to 'live the job' is creating a reported cultural clash in the work environment, often between generations. This shift is also being recognized by others dealing with industry, such as this interviewee who works with graduates getting jobs in the market:

I think the difference is possibly compared to 6-7 years ago is that the students are now very aware that companies talk a lot about staff well-being and personal development and staff development time, etcetera. So, the students will expect that be a standard part of the offer that would come from a company. So, it's not that they don't want to work as hard, but actually they want to be viewed more than just as a number on the page. So, they will be able

to go into a company and say, "Look, yeah, that's great if they recruit me. But in five years' time, I want to be a qualified accountant. So, let's put me through my exams - and how am I going to be supported through my exams? Am I going to get proper time off? Even though you say I get a day a week off, will I really get a day a week off to do my exams?" – Interviewee 17, UK, university employee

This university student expressed his understanding that workdays might be more demanding than university, as well as his understanding that many of his peers see that much work as 'slavery'.

We've never been on a 12-hour daily job or whatever. Like for example, investment banking bankers that just start the day at 6:00 in the morning and finish the day at two in the morning. We've been in university, we've had exams, maybe two periods of exams each year. Our timetables are we just have like two hours a day of lessons. That makes a difference and that's what I feel that people even choose to see at university – they see [jobs] as well - that's too much work. That's slavery. – Interviewee 18, UK, university student

This perceived *cultural economic counterforce* is a direct counterforce to the perceived *downwards economic constraint* of lack of flexibility, and many of the perceived *cultural economic constraints* which require fitting into the norms of 'living the job' or having a strong work ethic.

### 6.3 Change in values due to Covid-19

Covid-19 has influenced the changing upwards normative mechanisms and *cultural resistance counterforces* than any other part of this paper. Many interviewees discussed the pandemic as an event which caused a dramatic change in norms, beliefs, and values about work. Interviewees seemed to think that the pandemic made people reassess the big picture – are they achieving their economic and lifestyle

dreams? Individuals also had time to reassess small picture things; everything from their economic futures to how much time they were spending at work, and what their priorities were.

### *6.3.1 Reassessing: it's okay not to work*

Interviewees mentioned that the pandemic has given individuals time to reassess the big picture of their lives, and whether their work is allowing them to achieve their economic and lifestyle goals.

Because of the pandemic, it makes people think more about... more negative about their life and their job. I think it's because they don't have good future because of pandemic. – Interviewee 19, UK, university student

This type of big-picture thinking can make people re-evaluate the meaning of work, and whether they are achieving their goals through work.

I think that particularly from the pandemic, lots of people kind of reviewed how they work, and how many hours they spend at work, and quality of life became really important to them. So, I think they're looking for those quick-win big-book industries, if that makes sense. Compared to the traditional nine to five, nine to six, working regime...something that fits around their lifestyle a little bit easier. – Interviewee 12, UK, government employee

Interviewees perceived that it can also make people evaluate whether they want to work at all. Some interviewees in Korea reported this with younger people:

Because of Covid-19, people have changed their minds - it doesn't matter to people whether they go to big companies or not. Because all people are having difficulty living now because of Covid-19, I think they're not willing to get a job. – Interviewee 8, KOR, recent graduate, industry

Other interviewees reported this effect across all ages, for different reasons. While older people might want more time with family or more freedom to do their own thing, younger people might just want time off to reconsider their options.

I think first of all, if you're looking at people who've been with organizations for 15-20 years, I think Covid-19 gave them an opportunity to spend more time with their family so they're really understanding the quality time they were missing out on by working so many hours. So, we have many senior people that have left our organization to start their own business or to look for another organization that will pay them the same if not more to work from home. That's with the senior people.

I think a lot of mid-level people have left, people who have been there for 5-10 years, because they are getting paid a lot more money from different organizations. And then the same thing with junior people a lot of them have left because corporate America is not what they thought it would be, or the pleasant experience they thought it was, and with a lot of the government money and checks that have been handed out, it's given those younger people the time to move back in with their parents and reassess for what they want to do. – Interviewee 11, US, industry

An interviewee who graduated during the pandemic noticed that at both at his university and at his new workplace, which was a hospital, many people quit or retired.

Umm, but there's a population in the middle where you don't have to. You can get away with just quitting. So we saw that. That huge chunk of time where just everybody quit their jobs. And that was, I think that was the whole population that could afford to, and people retired early. I know our university and a lot of



other places offered early retirement packages. Just because [they] could. And people took them. – Interviewee 20, US, recent university graduate

Aside from leaving the workforce, there were many who simply wanted a break. This interviewee has spoken to many young people in California:

Umm, what I kind of figured out is that they just kind of want to stick to the unemployment and just don't want to go back or just want to stay at home and just keep getting the money. – Interviewee 21, US, university student

One interviewee who was a recent graduate mentioned that their peers are stressed and want to take a break:

I think people are mentally and emotionally exhausted. I mean, everything is just a mess right now, our culture, our country, our political state, our economic state, our social state, or everything is just upside down right now. ... And so, I think a lot of people are just exhausted. I know a lot of my friends that have you know, skipped days of work or class or whatever cause they just feel like they're at their limit. They can't do it, you know. They just can't do it anymore. So definitely. – Interviewee 20, US, recent university graduate

University students perceive that their peers do not want to apply for jobs, and that they want to travel or take time off.

OK, so I did mention a little of my friends are looking for jobs right now, but there's also a similar group or similar fair share of friends that are not looking at work because they are differently affected mentally by the whole Covid-19 scenario. Because it's been online, you've been away from your friends, you just haven't been able to get

outside of your home. You haven't been able to travel. You haven't been able to go to all these places that you want to go to for the past two years, and they just been so stressed by that and just so exhausted that they just want to lie still. So, I guess in essence they just want to take time off for like a solid six months or a year, just so that they can go back and build their, you know, mental stability. Just go back to being normal. – Interviewee 16, UK, university student

But we see people starting to see university and work as a counter dopamine counter pleasure and which is true, but it's an application and a responsibility and I feel people are dropping off. A lot of them, not most of them because of that, because they just want to run away from suffering. When I mean suffering is just effort. – Interviewee 18, UK, university student

This perception of others wanting a break and a change in values regarding work appeared in all three countries. People of all ages recognized it, had heard about it, and some had felt it personally. The largest evidence of this change came from Korea, where it used to be that having a job was the largest determiner of someone's status in society.

Like people my same age, friends of mine, they think it's not a big deal whether we have jobs or not. Because everything is really hard to live in Korea or other countries because of Covid-19, so now people think 'it doesn't matter. My happiness is my ultimate goal. If I get a lot of stress, I just quit my job and take my time, rest, and do what I want to do.' It's like general thinking. – Interviewee 8, KOR, recent graduate, industry

For graduates to say that most young people in Seoul don't think it's a big deal if they don't have jobs is a complete 180-degree change from the traditional culture of Korea, even ten years ago.

Interviewees perceive that people who still want to work are thinking more about how they want to work.

I think there's more flexibility, and I do think with anything there's always this thing around the human impact, the isolation and so on, I think Covid-19 brought a lot of that to the fore, but particularly here in the UK I think there is more of this home-based home-working ethos that's coming forward, again, all about this quality of life. 'Do I want to be stuck on a motorway for two hours travelling to work each day when actually I could be in the gym or doing other things. People are looking for more of those homeworking opportunities. – Interviewee 12, UK, government employee

In addition, interviewees perceive that people who are now working from home for the first time are gaining a new understanding of what they've been missing:

The personal side is now a lot closer to the workplace than ever before, because you're there, and you're taking breaks and maybe spending time with your kids or your dog or your wife, or maybe you're seeing a lot more of your neighbors, and you're understanding the types of life events that you've been missing out on, the things that are happening with your family. So that's fantastic that people are able to share that and join their families in these key moments. – Interviewee 11, US, industry

The physical shift from working in an office to working at home is causing a perceived shift regarding the traditional boundaries between work life and home life. This might also cause employees to reassess how much they value work versus spending time with their families.

### *6.3.2 Reassessing: It might be okay not to get a degree*

Interviewees perceive that the pandemic might have also been a catalyst for individuals to rethink the value of higher education. One interviewee from a university in Korea mentioned that student numbers

are down across the country for all universities except the top schools. He stated that students are reevaluating the value of their university degrees when classes are online:

But the students think just online classes are not very helpful. Because the reason they go to universities is to make friends. Learning many things on hand not from computer screens. So, they think I pay a lot of money but I just study online, so the satisfaction of degrees is getting low, and the local universities, we are having difficulty because they think, 'I don't need to go to low-level universities because nowadays it's online classes and it isn't really helpful for me'. – Interviewee 1, KOR, university employee

One of the interviewees from Korea expressed the same sentiment, even though she was a student from a top school. Online classes did not allow her to build the necessary relationships she needed while in university.

In COVID-19, it's particularly in COVID-19, you know, design major needs to meet a lot of people and we have to communicate with students and professors, and other people. But I never do that for two years. Yeah, it was so bad. – Interviewee 15, KOR, university student

Interviewees perceived that online classes have created a loneliness among students that is still pervasive.

When I was in high school, it was normal to see our friend's face at the starting of the semester, and is playing around, hanging around. But nowadays, like, in the high school, there are some kids who say that I haven't even seen my classmates and their teachers. So, it's changed definitely. Yeah. ... I think a lot of people eat alone, too, these days. – Interviewee 14, KOR, university student

The perceived lack of ability to engage with other students and network can detract from the university 'experience', making students reevaluate whether it's worth their time and money to attend. Furthermore, the pandemic allowed students to make excuses for not handing in assignments and allowed them to communicate by email when they didn't want to face the professors.

[Since Covid-19] the relationship has completely lost its perceptual and in person concept of face to face, like having to face your teacher when facing a query about an exam or correction. .... Let's say that Covid-19 was like a place to hide, and it's been always a place to hide for every single thing. Like you had a problem and or you might even run late on a delivery. And you just said, 'No, I had Covid-19, or my friend had Covid-19 because that thing I had to do that because of COVID-19' ... COVID-19 has become a like a shield for every student, and everyone knows it. – Interviewee 18, UK, university student

This issue of the pandemic creating a lack of accountability and a lack of dealing with professors means that students are not learning another layer of job skills, some of which would fall under *downwards economic constraints* such as dealing with high stakes, dealing with lack of flexibility, and working under supervision. It is possible that the more students graduate without those skills and have difficulties finding a place in the economy, the more students will reevaluate whether they are learning the skills they need for the workplace at university.

One interviewee actually dropped out of university during the pandemic. During the interview she said that the pandemic forced her to reevaluate her own life, and she had dropped out of university and moved to Los Angeles to try acting:

So, I'm calling it... I'm taking a break. I'm just kind of want to tell everyone I'm taking a little break. There were so many different reasons why I decided to do

this. A lot of it was...it was also during the pandemic. So, like I kind of finished out in 2020. And then I was like, OK, I'm ready. I just want to move to California, and I want to do things like acting and social media out here. Feel like it's the place to be. I just needed that break. – Interviewee 21, US, university student

Her perceptions highlight what other interviewees above also expressed, a reassessment of the value of higher education in a rapidly changing economic and social landscape.

### 6.3.3 *Demanding flexibility*

Interviewees have perceived a shift since Covid-19, they have seen more requests for work at home jobs, and for more flexibility in work hours. Individuals are trying to make work more compatible with their lives.

I think people are looking to sort of find more work from home type jobs, definitely. –

Interviewee 6, UK, industry

This shift toward working from home has become a predominant request at some workplaces:

For sure, virtual work is probably the number one request that we have, just based on certain meetings that HR has hosted. It seems that everybody, well, not everybody, it seems that the vast majority of people want some sort of work from home option whether that be a hybrid system or work from home, but I still feel like that's manageable within the organization unless you're an executive, I feel like three days in 2 days home, or four days in one day home or Fridays off, I feel like that's a viable option. – Interviewee 2, US, industry

This interviewee was influenced by witness their family members working from home.

I think COVID-19 had an effect. Because of COVID-19, my brother has started working inside the house, like working inside the home, like using this type of webcam, and stuff. Also, I think COVID-19 has affected like many parts in like getting into jobs, that I don't really know how it's changed. But I think, like I see many people trying to make money sitting down with a computer. – Interviewee 14, KOR, university student

This interviewee in academia has the perception that many of their students want to work from home:

In the last few years, because I teach business, a lot of them want to work at home. They want to develop apps for KaKaoTalk or do other jobs from home. A lot of students said they wanted to freelance. – Interviewee 9, KOR, university lecturer and government employee

There is the perception that that working at home is increasing happiness among workers:

For my company it's been mostly positive because most people wanted to work at home, and they aren't being forced to go in. I was one of the rare ones that liked being in the office more. I think it's like varying degrees. They're saying we're just as productive, but I think there are some people who take advantage because they're home with their families. But in general, I think most people are happy and being just as productive at home. - Interviewee 3, US, industry

There is also the perception that individuals who are working from home are using the flexibility to travel and do things they never could have done before:

Especially around America - people are traveling and working all the time. It depends – some people aren't comfortable just working on a laptop - they want their two or

three screens so it's more difficult for them. But for people who like just working on a laptop, they're traveling all the time. – Interviewee 11, US, industry

This perception of a desire for more flexibility is a direct counterforce to the *downwards economic constraints* of lack of flexibility and the demand to work under structured time in the work environment. Working at home allows employees to skip long commutes to the office and the expense of dressing to impress beyond what they need to show on camera from their virtual office. If employees are working too much and feel that they aren't given the free time to do the other things they want with their lives, they may make the decision to switch jobs or pursue other avenues than work in the traditional economy.

#### 6.4 Conclusion

What is evident in this chapter is that there are perceived upwards normative mechanisms, or *cultural resistance counterforces*, emerging from individuals. Individuals are perceived to be reevaluating work and reevaluating work in the context of the current economic climate in the wake of the pandemic. If they are going to work, they want full-time, high-paying jobs with flexibility in their schedules and work locations. They want to be treated as equals and well-respected for the work they do. They also want degrees which are reasonably priced and offer substantial benefits such as face-to-face communication and networking that cannot be obtained elsewhere. Covid-19 has also contributed to the change in upwards norms, making it more evident that people have other priorities and no longer want to build their primary identities through work. These upwards normative mechanisms can be seen in the table below.



Table 6.4-1. Data on normative and configurational mechanisms from both rounds of interviews.

	<b>Configurational mechanisms</b>	<b>Normative mechanisms</b>
<b>Downwards</b>	<p><i>Downwards Configurational mechanisms, or downwards economic constraints</i></p> <ul style="list-style-type: none"> <li>• Pre-employment mechanisms:               <ul style="list-style-type: none"> <li>• University degree</li> <li>• Job acquisition difficulties</li> </ul> </li> <li>• On-the-job mechanisms:               <ul style="list-style-type: none"> <li>• High stakes</li> <li>• Poor management practices</li> <li>• Inflexible work structures</li> </ul> </li> <li>• Career-impacting mechanisms               <ul style="list-style-type: none"> <li>• Lack of mentorship</li> <li>• Limited lifestyle</li> </ul> </li> <li>• Covid-19               <ul style="list-style-type: none"> <li>• Lack of socialization</li> <li>• Formalized communication</li> <li>• Increased flexibility</li> <li>• Higher taxes</li> </ul> </li> </ul>	<p><i>Downwards Normative mechanisms, or cultural economic constraints</i></p> <ul style="list-style-type: none"> <li>• Conforming to job demands:               <ul style="list-style-type: none"> <li>• Starting at the bottom</li> <li>• Working under supervision</li> <li>• Adjusting to varying work</li> <li>• Structured time</li> </ul> </li> <li>• Conforming to the social context:               <ul style="list-style-type: none"> <li>• ‘Fitting in’</li> <li>• ‘Living the job’</li> <li>• Dealing with age</li> </ul> </li> <li>• Work is meaningless</li> <li>• Covid-19</li> </ul>
<b>Upwards</b>	<p><i>Upwards Configurational mechanisms</i></p> <hr style="width: 20%; margin: 10px auto;"/> <p style="text-align: center;"><i>Chapter 7</i></p> <hr style="width: 20%; margin: 10px auto;"/>	<p><i>Upwards Normative mechanisms, or cultural resistance counterforces</i></p> <ul style="list-style-type: none"> <li>• Challenging job context constraints:               <ul style="list-style-type: none"> <li>• Demanding equal treatment</li> <li>• Not ‘filling the gap’</li> </ul> </li> <li>• Counter cultural context constraints               <ul style="list-style-type: none"> <li>• Not ‘living the job’</li> </ul> </li> <li>• Covid-19 mechanisms               <ul style="list-style-type: none"> <li>• It’s okay not to work</li> <li>• It’s okay not to have a degree</li> <li>• Demanding flexibility</li> </ul> </li> </ul>

This analysis reveals that the perceived upwards normative mechanisms or *cultural resistance counterforces* in this chapter are in direct opposition to some of the perceived *downwards economic constraints* in Chapter Four and perceived *cultural economic constraints* in Chapter Five.

As shown in Chapter Six and further illustrated in Chapter Seven, the perceived emergence of changing upwards mechanisms or the conflict between downwards mechanisms already in existence and upwards mechanisms coming into existence might cause problems in the wider economy to emerge. *Chapter Seven: The Perfect Storm* will look at the perceived upward configurational mechanisms providing counterforces to the perceived *downwards economic constraints*.

## 7 The perfect storm – a *Gateway* and a *Breakaway Economy*

In Chapter Six, we saw that upwards normative mechanisms, or *configurational resistance counterforces*, are evolving among individuals in society. Interviewees have perceived that more individuals are demanding better pay, treatment, and time off. They have perceived that more individuals are beginning to rethink the value of higher education in the current economic environment. Chapter Seven explores the question of what interviewees perceive regarding *configurational resistance counterforces* acting against the existing economic system configuration.

In layman's terms, it asks the big question: Do interviewees perceive that there are upward counterforces against the configurations of the economic system? When their backs are against the wall due to the pressure of *downwards economic constraints* like soaring costs of education, difficulty in job acquisition, lack of reward, lack of job flexibility, and increased pressures due to the Covid-19 pandemic, what will they do? When they find themselves unwilling or unable to perform well in the wider institutional and social contexts due to the *cultural economic constraints* that exist within them such as 'fitting in' or 'living the job', what will they do?

The quotes below give some context into how university students are seeing their immediate economic landscape and their future work aspirations:

I don't think it's as easy as saying people don't want to work. They may not want to, but there are reasons and it's not just because 'Work is hard, and I want to sit at home instead'. It's because they don't want to do a really hard job with no staff for very little pay for no benefits. You know, working anywhere right now is just miserable for a lot of people because you know, everyone's so short-staffed. You know that it's going to be rough. You know you're going to be doing more than your fair share and be getting

paid less than your fair share. And I think that just, yeah, destroys people's motivation to go out and work. I think that definitely feeds into the whole content creator thing of why people would want to try and go their own way and do something like that. –

Interviewee 20, US, recent university graduate

This chapter delves into these dynamics, particularly how individuals are reacting to traditional job configurations from the perspective of the *combined reflexive lens* - an economy that evolves spontaneously from the reflexive individuals within it.

### 7.1 *Configurational resistance counterforces*

In Chapters Four and Five, we saw many perceived downwards counterforces preventing people from obtaining a job. According to mainstream economics, rational agents would be expected to keep applying until they find work, systematically lowering their requirements in a potential job. However, humans are emotional, volitional, creative beings, and according to interviewees, some individuals might keep applying to jobs, but others are finding configurational ways to cope with the structural issue that there are not enough jobs available, or that the job market is too difficult for them.

The first upwards configurational counterforce is: 'Lying flat', or the idea that it's okay not to compete in the rat race. The second upwards mechanism found in the interviews is: '*Thinking empty*', or the idea that it might be okay not to get a university degree.

#### 7.1.1 '*Lying flat*'

'Lying flat' is a phenomenon that was begun by a 31-year-old worker in China, who had graduated from a top institution, fought his way through the competition to become an editor at a high-profile publishing house, and then rebelled a few years later against the *downwards economic constraints* of his work lifestyle. He also stated he felt his work was meaningless. According to the newspaper article, there is "a growing number of young professionals in China rejecting the traditional narrative of success". The

phenomenon was so widespread that labeled “a threat to stability” by the Chinese Communist Party and addressed by President Xi Jinping himself (Feng, 2021).

Although the example above is not from one of the countries in this study, ‘lying flat’ encompasses the idea of rebellion against *downwards economic constraints* even to the point of not working if the individual perceives the *downwards economic constraints* to be too significant.

Following this idea in the current study, interviewees have the perception that young people are refusing low-wage or entry-level jobs that have been traditionally taken on by younger workers and keeping their expectations high.

This interviewee has the perception that they aren’t doing part-time work:

Because of Covid-19 virus there is not much part-time work. But the other thing is, they don’t want to do it. ... Students are too educated, too selective in jobs seeking, and won’t lower their expectations. – Interviewee 9, KOR, university lecturer and government employee

Another interviewee in the US, has the perception that some graduates are simply holding out for the job they want, not taking a lesser position for experience:

I think they seem to have the ability to hold out for the job they want. They don’t really want to do something second best and hope to get to the next level. So, I don’t know whether they’re getting family support or how they’re able to do that, but I think they’re pretty much sticking to their guns to get the job they want or the industry they want. – Interviewee 10, US, government employee

In the UK, one interviewee perceived that people won’t work in low-wage jobs:

And of course, not to sort of belittle the UK, but the white UK people don't want to work in low-paid jobs, they want to work in high-paid jobs. That's why you go to university, right? – Interviewee 6, UK, industry

Another interviewee from the UK mentioned he perceived the same scenario both in the UK and in his native country of Spain.

There's unemployment, but there's people. There's some jobs that haven't been filled and they're not technical jobs. There are some day-to-day jobs, but people don't want to do them. I don't know if this is this idealism and surrealism we are following on our minds and social media because that's what we see or whatever it is, but it's quite a reality now. – Interviewee 18, UK, university student

This interviewee, a current student in the UK, also has the perception that students and graduates are pushing back against the idea of taking less pay to gain experience:

I've seen even in my house here in in Lancaster, that friends of mine that they haven't done an internship, they were like, 'What about how my internship was unpaid', for example. And I was like, 'Sometimes that happens like that'. That's true. And they were like, "No, I'm going to talk with my program director." – Interviewee 18, UK, university student

There is a sharp contrast between generational attitudes toward work, as reported by interviewees. GenX and Baby Boomer interviewees reported that they were willing to take less pay or part-time work when they first started to find a space in the economic configuration and do whatever it took to work up into a good job. They also perceived what they believe is a widespread change among the younger generations, with many refusing that type of work. The last two quotes above are consistent with interviews of younger

interviewees. Their anecdotes express witnessing others of their generation refusing low-paid work or attempting to fight back against low pay.

Interviews suggest a possibly emerging trend among younger individuals, who perceive growing acceptance of the idea that it's okay not to work. Retroductive analysis revealed that many of these motivations are pushback against the *downwards economic constraint* of 'limited lifestyle' that so many individuals are facing. When individuals face persistent *downwards economic constraints* where no matter how hard they work, they might not be able to accomplish these goals, it appears that they will begin to fight back against working for limited reward. As quoted in the introduction to this chapter – It isn't that they don't want to work, it's that they don't want to work if they can't make their dreams come true.

As evidenced in Chapter Six and some of the quotes above, interviewees of all ages perceived that a lot of the younger generation believe they won't be able to afford even their middle-class dreams, and some of the older generations realizing that it's becoming harder to achieve their dreams or maybe that achieving their dreams isn't worth enduring the meaninglessness of work. So, their reflexive upwards configurational push is not to accept the drudgery that comes with work. If they can't find a job that they really want, they won't work at all.

Interviewees perceived that social media is also affecting how people feel about work, and the idea that influencers make large incomes doing little work.

Yes, because internet really affects a lot, because if you see YouTube, there are lots of people who get paid more from doing things online. Like pretty people, handsome people, we think they get high pay instead of us, like us, we do hard work, we only focus on work every day, every night, and we get low wage. So that makes us think, it doesn't matter. Because my effort doesn't make me get huge money. Because there

are people who easily get huge money nowadays. – Interviewee 8, KOR, recent graduate, industry

Interviewees stated that many of the rich are now flaunting their wealth on social media, but while it draws millions of views, they offered the perception that it is not helping the middle class to find meaning in their own working lives.

Because the like the development of social media by a lot of rich people. I don't know what's their opinion, but I think sometimes they try to show off what their life looking at looking like and I don't know why they're doing that, but actually I don't think it's very good for the poor people because they will very like feel very anxiety because they can't afford their housing during pandemic, but rich people, I think because of pandemic they're living better and better. I don't know why, but yeah. – Interviewee 19, UK, university student

Interviewees also perceived dissatisfaction among the workforce with the idea of working during the pandemic to make the rich even more money:

Well, with Covid-19 a lot of people have really cemented in their minds like the upper 1% do not care about them at all. Basically, they're thinking, "I still have to work during a pandemic where it's a serious health risk to me. ... I think the prevailing attitude is still that they're making me work when it's especially deadly to me, they do not care about me at all, and that just makes them more determined to not work for these sort of faceless corporations. – Interviewee 13, US, university student

One interviewee also perceived that the younger people in Korea cannot understand why the older generations have kept working when they see the inequality that exists. The younger generation have



even developed terms to use against the elders. The first term was OKBoomer, which was a term that younger people used with rolled eyes when discussing how older generations didn't understand them.

However, now it has given way to a new word:

So, this is the word of the day: kkondae. It's kind of a bad word. It's worse than OKBoomer. It's very disrespectful. OKBoomer you could say to your mom or something and no big deal. But somebody, in public, no. – Interviewee 9, KOR, university lecturer and government employee

This interviewee perceived that the more aggressive language is symbolic of the younger generations' anger toward their elders at the state of society, and often used in that context. The interviewee perceived that there is growing anger among the youth that they aren't getting jobs, can't afford housing or children, and are having to give up their dreams, and that they feel that this is the fault of the older generations.

This interviewee perceived that it's becoming a wider cultural phenomenon:

Yes, a sociocultural thing. So, I think it's that. And young people having what all young people have – energy, enthusiasm, passion for something, and then having it squashed. Having their dreams squashed. Having mentors that they can't connect with – their parents, the professors, society. – Interviewee 9, KOR, university lecturer and government employee

What became obvious throughout the course of the interviews is that the upwards configurational mechanism of 'lying flat' exists because the younger generations perceive that the economy is not going to offer them decent economic futures for their labor. This upwards push against having a job is sometimes directed at big business, sometimes directed at the wealthy, and sometimes even directed at the older generations. Although words such as kkondae only exist in Korea, the sentiment is not confined to any one region, as interviewees in both the US and the UK expressed similar underlying sentiments.

### 7.1.2 'Thinking empty'

If the upwards configurational mechanism for not working could be called 'Lying flat', then the *upwards configurational counterforce* for not getting a university degree could probably be called 'Thinking empty'. Retroductive analysis determined that this perceived upwards configurational mechanism is a counterpressure to the perceived *downwards economic constraint* of requiring a degree to get a good job. Several interviewees, some who were parents and some who were students, expressed the idea that it might be okay not to get a degree in today's economic climate. For some families, it may be a reaction against the high cost of tuition:

I think it has finally hit the population as a whole, especially [my daughter] Sophia's generation, that 'I'm not going to go 100,000 in debt. Because there's no payoff to it. I'll never make enough money to pay it all off, so why should I do it?' – Interviewee 4, US, former industry employee and current university lecturer

For others, it may be that there is less time commitment in addition to less debt:

Well, that's the trend in the states, and this guy has become quite popular in Korea. It's part of them rethinking the value of higher education. This one particular lecture I went to for my son's high school, they compared two people. One person had gone to university, and the other had not – he just went straight into Shinhan Bank and started working at the bottom. And the guy who didn't go to university ended up being the other guy's boss. And the guy who went to university had a lot of debt. – Interviewee 9, KOR, university lecturer and government employee

Furthermore, there are companies in all three case study countries which have programs for individuals without degrees.

So where historically, you may have had to go to college and then go to university to get the necessary skills to even enter the industry, it's becoming more responsive. – Interviewee 12, UK, government employee

Interviewees expressed the perception that this attitude toward university education is growing, and that as anecdotal evidence of individuals being successful without having a university degree increases, the more this attitude will spread.

As the time span grows, many graduates or people who remain unemployed are forced to make alternate decisions. This interviewee had two nieces who could not find jobs. One went back to law school, and the other got a part-time job:

Several of them, I know the two girls I mentioned before, they got a part-time job. And the girl who's really good... she graduated from Seoul University, and she'd got back, got back to the Law School. Then she got the degree, and then she got, yeah...I think she upgraded her whole self. So, it depends, again. But majority, they got a part-time job, I think. – Interviewee 5, KOR, industry employee – former university employee and former government employee

One interviewee perceived that unemployed graduates might also study for government exams:

Government employee. Yeah. If it takes longer and longer, they change their goals for... they want to get ready for some tests for being government employee. And then it takes longer and longer, and finally, they lost their, yeah, some power [motivation] to get ready for their job. – Interviewee 15, KOR, university student

One interviewee explains that they themselves and many of their friends have not yet acquired a job, and are forced to live at home with their parents for financial reasons:

Interviewee: It will be different for everyone. But my friends, who graduated, especially major in Design, are still looking for their job.

Interviewer: How long, like one year, or?

Interviewee: Yeah, about one year. They're always making their portfolio again and again to get better job.

Interviewer: OK. Yeah. Yeah, I heard other people in like business majors saying, it takes over one year to get a job. Yeah. Are there many graduates who don't find a job there?

Interviewee: Yeah.

Interviewer: What do they do?

Interviewee: They're living in parents' house and putting the dishes. I do that.

– Interviewee 15, KOR, university student

According to the interviewees above through personal anecdotes and perceptions of the wider economy, many new graduates are not finding full-time jobs and are faced with alternatives such as part-time jobs, government employment, and living with parents to minimize expenses if they can't find a full-time job after graduation.

One interviewee from the government in the UK has the perception that students are looking for configurational alternatives to a degree and companies are meeting that need:

But also, those quick, snappy courses that they like, they don't want to be signing up for two- to three-year academic studies. And I seem to find, particularly with the elec-tech cluster that we've got in Lancaster, for example, to address the skill shortage in the industry, what they've done is they've actually developed like a boot camp model, so people can literally go in, be trained, and bang, within a few weeks, they're in a job.

... So, I think the pace is quickening naturally. – Interviewee 12, UK, government employee

One interviewee mentioned that similar short courses are being offered in the US, with one new semiconductor manufacturing plant offering a 'Quick Start' program which prepares students to become a semiconductor technician in only two weeks. Additionally, educational affordability is being addressed, with two-year schools to offer four-year undergraduate degrees at a fraction of the cost of university tuition:

I always hear what at the Community College levels are being done and I don't know if you heard, but the Maricopa community colleges, the legislators, passed a bill that they can now offer bachelor's degrees. It's going to start in the fall of 2023. So, like each college is going to offer different degrees. – Interviewee 4, US, former industry employee and current university lecturer

This interviewee mentioned that these cheaper alternatives are being offered for degrees which are needed the most in those communities, for example, elementary education, hospitality, and certain types of IT.

Another interviewee decided to pursue a less traditional career path right now:

So, I might as well go and try to do my acting career right now while I'm young. You know what I mean? Kind of go for it because you can even do online school now. Like it's just so easy to get back into it. – Interviewee 21, US, university student

These perceptions among interviewees of all ages and across countries about the value of a university education reflect a potential shift in norms, challenging the traditional *downwards economic constraint* of needing a degree to get a good job. The broader economic implications of these changing attitudes will

be discussed in Chapter Eight.

## 7.2 Evolution of the Traditional Economy

As shown in the introductory quotes to this chapter, interviewees from the three studied countries perceive that attitudes toward a university education and work are spontaneously evolving. Before looking at how the economy is evolving into new configurations due to upwards mechanisms, it is important to note that there is also a perceived evolution of the existing configurations which is being caused by many of the same perceived *upwards configurational counterforces*.

Several interviewees specifically commented on different types of spontaneous evolution of the traditional economy in their countries.

In the UK, one interviewee who works for the UK government made two significant points regarding recent retail development. First, there was a lot of abnormal expansion of large retailers in the 1990s and 2000s:

Marks and Spencers went from having one shop in a city center to having perhaps two or three shops in a city center. So, if you multiply that up across all of the city centers in the UK, that is a lot of additional stores over a short period of time. And they weren't on their own. Debenhams did the same thing, everyone did the same thing, everybody kind of expanded out, because everyone else was doing it. We didn't have Starbucks in this country until probably round about 2000, the end of the 90s. And now we've got about 8 million Starbucks. – Interviewee 7, UK, government employee

The interviewee also noted state that the economic crash hit the UK around 2010, and retailers were still catching up with how they needed to readjust their retail shops that were overextended and no longer viable when the pandemic hit.

For his second point, he observed a shift during the pandemic where people began shopping more at their local retailers during the pandemic, and some local retailers have taken that opportunity to expand their offerings.

So what has happened during the pandemic, during lockdown in the UK has been that people are thinking more local. So, they've been getting deliveries from local shops, they've not been shopping 30-40 miles away at their favorite Aster store; they've used their local store, and they've generally walked to it. ... I can probably walk to at least half a dozen local bars which started out as coffee shops that have now become coffee shops/bars, some of them have become coffee shops, bars, and delis. So, people are walking there, this is a new offer that they've been given, and this is becoming more localized. – Interviewee 7, UK, government employee

This interviewee has the perception that downward economic pressures from the financial crash, and more recently, the pandemic, caused people to shop more locally rather than travel farther to their national chain stores, and upwards pressure from individuals caused the local stores to expand their offerings.

Viewing this through the *combined reflexive lens*, we see a demonstration of reflexivity in action: the pandemic lockdowns created a perceived *downwards economic constraint* which encouraged individuals to stay closer to home, individuals then began demanding more from their local store creating a perceived *upwards configurational counterforce*, to which the local stores complied by expanding their products. Another *upwards configurational counterforce* might have been created due to lack of demand at the larger chain stores, perhaps forcing them to further reduce their number of stores, but that would have to be further investigated as this interviewee did not offer any perceptions toward that end.

Another case study from the pandemic can be found in Korea. Interviewee comments suggest that the *downwards economic constraint* from the government to social distance was met with *upwards configurational counterforce* from individuals to create non-contact business environments. The Korean government came up with the word *untact* for this type of non-contact environment, and businesses implemented robots and special kiosks that customers could use so they didn't lose business.

When you come to Incheon airport, they have a robot that speaks to you. It started to happen before Covid-19, but Covid-19 has just accelerated it. Because people do not want to have that face-to-face contact and risk getting sick. So, they [restaurants] have kiosks, and you can just punch in and get your order. Starbucks has not gone that route because they want to keep the human touch. – Interviewee 9, KOR, university lecturer and government employee

As we can see from the quote above, this interviewee perceives that demands individuals are also driving spontaneous economic change in Korea. In the short-term, the spread of the *untact* environment could possibly be driving the robotics industry and reducing the number of front-facing restaurant and service jobs. If so, this could impact the bottom line for businesses, whether the robots turn out to be cheaper or more expensive in the long-term than utilizing people. It could also impact the labor market as more jobs for people disappear. However, it's crucial to note that these insights are based on interviewee perceptions and should be investigated further for broader economic implications.

The trend of spontaneous economic change is also perceived to be occurring in the US, although this time it stems from individuals in the labor market. As one of the interviewees from the US mentioned in the first quote of this chapter, one perceived aftereffect of the pandemic in the US has been a shortage of workers. According to the US BLS, there are 3.4 million fewer workers in the US in 2022 than there were



in 2019 prior to the pandemic. The reasons they cite are increased savings during the pandemic, early retirements, lack of access to childcare, and new business starts:

In the spirit of entrepreneurship, some employees either left work or stayed unemployed to open their own businesses. Over the last two years, nearly 10 million new business applications were filed and in 2020 alone more than 4 million new business were started (US Chamber of Commerce, 2022).

From the narratives provided by interviewees, one observation might be that the traditional economies in all three studied countries are perceived to be spontaneously evolving based on constraints pressing downward from the economic level to the individual level, as well as counterpressures pressing upward from the individual level upwards to the institutional level and the wider economy, with individuals perceiving unique aspects of this evolution in different countries. In the UK, the perception was of the downsizing of big retailers and growth of local markets. In Korea, the perception was about the evolution of the *untact* environment. And in the US, the perception was around the growing labor shortage.

### 7.3 The *Breakaway Economy*

In analyzing the data concerning upward configurational counterforces, one theme recurred consistently across all three studied countries and all age groups: the pursuit of alternatives to traditional employment. In this thesis, the spontaneously evolving *Breakaway Economy* is an upwards configurational counterforce consisting of a growing group of people who are opting out of working a traditional job in the traditional economy. During the first round of interviews, participants would frequently describe scenarios where individuals who were dissatisfied with the *downwards economic constraints* would search for alternative means of making money.

It is essential to note that the avoidance of downwards constraints from the traditional economy is one of the main reasons people may seek out alternatives. When interviewees were specifically asked why

they or others were looking for alternatives to the traditional institutional configuration, i.e. jobs offered by the traditional economy, they had the perception that downwards mechanisms dramatically influence this process.

This section will build upon the perceptions of interviewees, which help to demonstrate that downward constraints influence the emergence of this upward configurational counterforce.

The first theme from the interviews is that there are those who cannot get past the *downwards economic constraint* of acquiring a job to break into the traditional economy in the first place:

Korea is a difficult place to be happy. Because only a small portion of the population can achieve that level of success that society deems you to be successful. Going through university, working at the government, everything is capped. So where are they going to work? They are working for themselves, they are working here and there, changing jobs, yeah. – Interviewee 9, KOR, university lecturer and government employee

There are also those who don't want to deal with the *downwards economic constraint* of lack of reward, or the *cultural economic constraints* in the traditional economy:

Talking in the company to people in other teams and divisions, some people were quitting to start their own business. But a lot have decided to move on for more money. And then a lot of people are also looking for less stress and pressure in their jobs and they want to work less. I think a combination of those three things. – Interviewee 11, US, industry

Other interviewees expressed the same perceptions, that people are looking for alternatives to the traditional economy as an upward counterforce to myriad mechanisms enumerated in Chapters Four through Six.

When analyzing the data, two themes emerged that indicate the main drivers of the upwards configurational mechanisms of the *Gateway Economy* and *Breakaway Economy*, and both were related to technology. Those two drivers are tech platforms and social media platforms, and evidence for those as drivers of upwards configurational change is given in the next two sections.

### 7.3.1 *Tech platforms*

Data analysis showed that individuals perceive tech platforms serve as alternatives for individuals to the traditional job market in various ways, countering different downwards institutional and cultural constraints, and enabling different upwards mechanisms, depending upon the type of platform, and sometimes also depending upon how the person is using it. Tech platforms serve as enabling mechanisms in two ways; first, they offer the inventors the opportunity to break away, and second, certain types of tech platforms offer other individuals the opportunity for alternative job configurations than those in the traditional economy.

When asked about alternative configurations to the traditional economy that they have participated in or see others participating in, interviewees tended to focus on three different types of tech platforms. The first type of platform allows online product sales, the second type of platforms offer online service sales, and the third type are investing platforms, allowing access to investments in stocks, crypto, and NFTs.

#### 7.3.1.1 Breaking away utilizing online product sales

Online product sales are the first upwards configurational mechanism identified by interviewees, and individuals opting out of the traditional market in favor of online product sales were reported in all three countries.

One interesting thing about Korea is that there are different market segments using online sales in different ways. Perhaps as expected, university graduates are selling online:

I8: Yeah, so there are a lot of other things to do from online. Like selling things from online, they can earn more money from that.

Interviewer: Okay, so you've had a lot of online businesses spring up since Covid-19?

I8: Yeah, yeah. ... And in my company and my friends, they just quit the job and try new things like YouTube or selling things online. A lot of people are doing that.

– Interviewee 8, KOR, recent graduate, industry

This interviewee indicated that people who have left her company and her friends are earning more online than they were in their traditional jobs. This specifically counters the *downwards economic constraint* of lack of reward for effort from the traditional economy. The effect is that some people are quitting the traditional economy for the *Breakaway Economy*, creating a new upwards configuration of young people who are independent online sellers.

Yet it isn't just the younger generation taking advantage of online sales. Perhaps unexpectedly, a number of older people who have retired are also selling online. Rather than exemplifying the typical technophobic attitudes that the elderly in many countries have toward technology, the elderly in Korea, and especially rural Korea, have embraced technology in a way that perhaps could not have been anticipated.

Like old people think when they retire, they will open a chicken shop or restaurant or convenience store, that is basic thinking. But now, old people think they have a lot of opportunity to do their own business online or creating or selling things abroad. That's made a big difference. – Interviewee 8, KOR, recent graduate, industry

This interviewee perceived that many elders in Korea are opting for this path, and specifically mentioned that farmers from smaller cities will sell fruits and vegetables like cabbages online to China and other nearby countries.

Why would the elderly in Korea embrace technology with such fervor? It becomes clear when we look back at the downwards mechanisms mentioned in Chapters Four and Five. In the traditional economy in Korea, the elderly were only able to open small retail shops and restaurants, in part due to the *downwards economic constraints* of job acquisition difficulties and lack of flexibility. Utilizing online sales, they don't have to compete in the traditional market, avoiding the mechanism of job acquisition difficulties. It also allows them the flexibility of working from home, rather than spending long hours in a restaurant or retail shop.

Online sales also offer a huge advantage for both urban and rural elderly in Korea when it comes to *cultural economic constraints*. The elderly have difficulty fitting into the cultural context in Korean business, as the culture reinforces the expectation that they retire at a certain age to allow younger people to have the opportunity to work. They also have difficulty being heard among the youth in society. These online product sales are allowing older people specifically to find a way around the *cultural economic constraint* of dealing with age, as well as other work, social and cultural context mechanisms in Korea.

A third group taking advantage of online sales are students who are trying to invent new products to sell online. In Korea, high school and university students can get products made from the local manufacturing plants.

I mean, OK. In like, some school projects, there were like some students have actually, like made... Like, example, there was a class, like making some products. Some kids might just make it with their hands, but some kids might give some more money and make it, make a product from the— Like in Dongdaemun, there's like a plastic

manufacturing factories. So, they spend a lot of money on this, get a real decent product and show it off. – Interviewee 14, KOR, university student

These opportunities do not exist in the traditional market for high school students in Korea, so this *upward configurational counterforce* also specifically counters the *downwards economic constraint* of the need for an expensive college degree as an entry to a successful job, and perhaps even all other *institutional and cultural economic constraints* since a good product and online sales may allow those students to forego the traditional job market altogether.

Product sales are not just happening in Korea, but were reported in all three countries. Interviewees perceived that tech platforms like Alibaba have allowed people to build huge businesses on Amazon and eBay as well as social media platforms like TikTok and Instagram selling merchandise from overseas through dropshipping.

I was just talking about it [dropshipping] with this one student who I met on bright network, while telling me about his internship he was telling me about this idea, ‘You have to try dropshipping’. I thought it was a really exciting to jump into. And I mean a lot of other people, especially when I was working for that market agency and I was doing the marketing work, I met a lot of people online who make a lot of money like \$1000 just doing drop shipping. And so, all these opportunities actually opening their eyes up to all these various ways to make money while just still sending it home, you don’t have to go anywhere because all just do is read up and just connect effectively, make a lot of money from all these new opportunities. – Interviewee 16, UK, university student

Dropshipping alleviates many of the same downwards mechanisms from the traditional economy as other types of online product sales mentioned so far.

However, there is one *downwards economic constraint* not mentioned thus far which a few interviewees perceived as a barrier to starting a new product business in the *Breakaway Economy*: the need for startup capital. However, the *Breakaway Economy* also has an alternative for this *downwards economic constraint*, as well. A few interviewees perceived that one alternative would be to sell products that can be obtained for cheap or free from the secondhand market. One interviewee from the US mentioned people who use online platforms to buy and sell used merchandise.

I know a couple of people that that do sneakers, people who buy and sell shoes. That's a big thing. I know a couple of people who have bought cars, fixed them up and sold them. You know, that's more of a longer-term thing. Similar deal. – Interviewee 20, US, recent university graduate

This secondhand market offers a way around the constraint of high barrier to entry and allows virtually anyone who has the time to find secondhand items to begin selling them online.

In summary, the first driver of the *upwards configurational counterforce* of the *Breakaway Economy* is online product sales. Close analysis shows that online product sales alleviate many of the *downwards economic constraints* of the traditional economy found in Chapter Four – obtaining a university degree, job acquisition difficulties, lack of appropriate reward for effort, poor management or treatment, lack of flexibility, and Covid-19. This mechanism also eliminates most of the *cultural economic constraints* found in Chapter Five such as performing during structured time, working under supervision, and 'fitting in'.

Analysis also brings to light that an entrepreneurial position in online product sales aligns with and reinforces many of the upwards normative counterforces from Chapter Six, such as equal treatment, flexibility with work hours and location and allowing individuals to spend more time doing what they want, reflecting the change in values due to Covid-19. This makes online product sales an excellent new upwards

configurational mechanism choice for many individuals looking for possible alternatives to the traditional economy.

There are still downwards constraints which exist, even in the online product sales space. There might be high stakes depending upon how much it costs to bring a product to market, although they would be self-imposed, and an individual can still face lack of mentorship if he or she can't find a mentor. However, viewing this from the perspective of the *combined reflexive lens*, as individuals interact with this new Breakaway Economy and make reflexive decisions, there are creative individuals who are finding ways around these downwards mechanisms, demonstrating the emergent properties of the economic system. These interactions have the power to not only shape their individual economic outcomes, but if they become a wider phenomenon, might even contribute to evolving the structure of the economy itself.

#### 7.3.1.2 Breaking away utilizing online service platforms

Online service platforms are another *upwards configurational counterforce* perceived by interviewees, as some individuals opting out of the traditional market in favor of online service were reported in all three countries. There are many types of online services; those which allow individuals to sell a virtual service such as online marketing platforms or online tutoring, and those which allow individuals to find customers for a real-world service such as picking up people (Uber) or delivering items (UberEATS or Spark). This alternative avenue for providing services is a second broad shift away from traditional employment models, where individuals would traditionally be hired by a company.

The utilization of tech online service platforms was perceived by interviewees in all three countries. One interviewee in Korea mentioned that online learning businesses are booming:

And in business, there's a big trend. People who got like an online learning business really boomed here. – Interviewee 5, KOR, industry – former university and former government employee



As a side note, another interviewee from Korea mentioned that online English learning had exploded in China during the pandemic, so much so that the government shut down the Zoom platform due to fears that the children were learning too much western culture through their classes. I verified this through news articles from France 24 (China's tutoring ban, 2021) and Reuters (China bans, 2021).

An interviewee from the UK had created his own online marketing agency the year before our interview, during his second year at university.

I had a marketing agency. I started with my friend in 2020. Midway through 2020, it was a finance marketing agency that I and my friend had that for about seven months. That went decently well until we hit a few roadblocks we had to deal with. I think you had a lot of issues with the cost per click and the advertising things Facebook advertising. So, we had a lot of issues with that, but until then it was a sweet journey, made a lot of friends online, met a lot of other brands. And I have actually seen a lot of individuals start their own businesses. – Interviewee 16, UK, university student

That same interviewee from the UK had attended an innovation high school in India, and one of his classmates was the founder of Zepto, an online platform where customers can order products from local stores to be delivered to their door in minutes.

I've had this one – one student from my school, from my high school. He started this company. It's called Zepto. And so, they, I think he started it about one and a half years ago and it's grown to about... it's now worth approximately a billion dollars. – Interviewee 16, UK, university student

These narratives illustrate how online service platforms serve as an *upwards configurational counterforce*, allowing individuals to leave jobs in the traditional economy. It allows them to offer their services independently and join the *Breakaway Economy*, and to make their own decisions regarding their careers.

This upwards configurational counterforce frees some people from working in the context of traditional jobs, which allows them to avoid many of the downwards *cultural economic constraints* mentioned in Chapter Five.

These online service platforms also counter *downwards economic constraints* from Chapter Four not just for the owners of the platforms, but for each of the workers who works independently through them. With online tech platforms, anyone can join and begin providing services. This directly counters the *downwards economic constraints* of obtaining a degree and job acquisition difficulties. People can also join more than one service or join a different one if they are not happy with the first one. This counters the second *downwards economic constraint* of high stakes. If an individual builds a good reputation or star rating, he or she will receive more business from the service, directly countering the *downwards economic constraint* of lack of appropriate reward for effort.

Finally, online service platforms fit and reinforce upwards normative counterforces from Chapter Six. Depending upon the platform, they can offer opportunities for high pay, flexibility with work hours and location, fewer work hours or the ability to work however much one wants and allows individuals more time to do what they want, reflecting the change in values due to Covid-19.

The growing trend of individuals working through these online service platforms, as perceived by interviewees, illustrates an *upwards configurational counterforce* in the economy because it changes the configuration of workers who are now doing their jobs outside of traditional institutions. This transformation is another example of the *combined reflexive lens*, where individuals interact with the broader economy and structures and make decisions, influenced by downwards constraints and

technological advancements, leading to emergent properties within the economic system. However, it is necessary to note that these observations are based on the individual perceptions of the interviewees and might not reflect a universal economic shift unless further data backs up this phenomenon.

These first two sections have covered tech platforms which offer individuals to sell products or services to customers, but this next section covers a different type of tech platform – one which allows individuals to invest in stocks, cryptocurrencies, or NFTs. This *upwards configurational counterforce* is probably the furthest from the traditional economy, although it is more closely aligned with the fintech movement. It doesn't involve the buying or selling of products or services, but the investing of money into equities that can be exchanged on digital platforms, highlighting a distinct aspect of the evolving economic landscape.

#### 7.3.1.3 Breaking away utilizing online investment platforms

The third type of platform that serves as an upwards configurational counterforce consists of investing platforms, and interviewees reported the use of investing platforms as an alternative to the traditional economy in all three countries. Interviewees in all three countries also mentioned investing in the stock market, crypto, and/or NFTs as an alternative pathway to working in the traditional economy. Many are actively investing in it themselves, trying to use it as a gateway to become part of the *Breakaway Economy*. Interviewees highlighted the perception that young people, especially, have the idea that if they work in traditional jobs, they will not be able to afford a good standard of living, so many are turning to investments:

It is so popular, because in Korea, many people do not think working is for making—  
working is for being rich. Working is just for living, and being rich... to be rich people, I  
have, we have to do that kind of thing - Bitcoin and stock. – Interviewee 15, KOR,  
university student

With the recent boom in the stock market and the overheating real estate, maybe people who don't invest in stocks are poor and some people have gained a lot of profit from the market at a young age. Some people have the privilege of quitting their job and enjoying more – their own time. – Interviewee 5, KOR, industry – former university and government employee

Interviewer: I see. So, are you invested in the market?

Interviewee: Yeah, because that is one way to get high – more money instead of work.  
– Interviewee 8, KOR, recent graduate, industry

Tech platforms like Robin Hood allow individuals to become investors, investing much smaller amounts than the traditional stock market will allow in stocks and certain cryptocurrencies:

And you've also got the factor that people are making a lot more investing themselves, and a lot more people have Robin Hood accounts and are investing personally in the stock market, there's cryptocurrencies, there's so many more ways that you can try to make more money online. – Interviewee 11, US, industry

In addition to stock platforms for individuals, cryptocurrencies are another way that individuals can invest small dollar amounts to own tiny percentages of a coin like bitcoin which have the potential to garner huge returns.

I've seen a lot of people get into Bitcoin, especially Bitcoin, Ethereum, how about a friend who was working with him for he is hugely into Ethereum. That's another sort of cryptocurrency, and he's big time into that, and he's I think he's about two or three thousand pounds invested in that. And yeah, so he's a huge crypto fan. – Interviewee 16, UK, university student

I met this one student who was living with in my second year he jumped in on that and he amassed a huge portfolio from that thing was worth about £90,000 by time. I asked him how much - just about £90,000 – and he did a whole investment in crypto as well, so I think crypto is definitely one option, one specific opportunity that has opened up the entrepreneurial eyes for students.

– Interviewee 16, UK, university student

Interviewees reported that NFTs are another avenue for people to make money online. Individuals who are creating their own art can mint it into NFTs to sell online, and those who don't create their own art can buy and resell NFTs for profit:

I had another friend. I think they started their own like – I think they were creating artworks. They were selling them all. So, I think I'm a lot of people just using their creativity to the best potential to extract some value out of it to either pay off their rent or to I don't know, to just fund their daily or weekly necessities, household necessities. – Interviewee 16, UK, university student

Actually, I am in NFT artists' Kakao Talk group chatting room. And every day, there's a new art going up in this group. There are so many artists, they always want to sell their art. Yeah. But yeah, I always think really, just a lot of things are always selling for some... I think it just keeps changing so fast. – Interviewee 15, KOR, university student

Similar to online product and service platforms, investing in stocks, crypto and NFTs allows individuals to avoid many of the perceived traditional *downwards economic constraints* mentioned in Chapter Four such as job acquisition difficulties, lack of reward for effort, poor management or treatment by employers, and lack of flexibility are all avoided. Online investment platforms also counter most of the perceived *cultural*

*economic constraints* from Chapter Five, as individuals don't have to fit into work, social or cultural contexts to be able to trade.

Online investment platforms also align with and reinforce upwards normative mechanisms from Chapter Six, flexibility with work hours and location, and the ability to spend more time doing what they want, reflecting the change in values due to Covid-19.

We have seen in this section that these new tech platforms are being perceived to alter the business landscape, allowing individuals to make a living in online product sales, online service sales and online investing as part of the *Breakaway Economy*. These platforms offer autonomy, means and independence, as well as freedom from perceived *configurational economic constraints* and *cultural economic constraints*. In addition, they also provide consistency with *cultural resistance counterforces* and mechanisms from individuals in the economy. Viewed through the *combined reflexive lens*, this transformation reflects its core principles – that individual actions interact dynamically and reflexively with larger systemic and institutional changes. This iterative process of personal adaptation combined with systemic evolution of the economy illustrates how new economic behaviors emerge both at the individual and system level.

The next section will discuss social media in its own category. One might think that social media should be in this category with other tech platforms, after all, social media platforms are also technologies which alter the business landscape in many of the same ways, allowing people to spread the word about their businesses, build a following, and advertise.

Interviewee perceptions, however, put social media in a category on its own, because although it qualifies with the others as having widespread availability and ease of use and alleviates or mediates the same downwards mechanisms, it also serves as a driver psychologically and emotionally in ways the other types

of technology do not. The fulfillment of these extra mechanisms put social media in an upwards configurational driver category all its own, which is seen in the next section.

### 7.3.2 Social media

Social media is the fourth category of *upwards configurational counterforces* mentioned by interviewees in all three countries. Analysis of the interviews put social media in a category on its own because it is a different type of upwards mechanism than other forms of technology. Social media platforms can serve as upwards configurational mechanisms in themselves, providing availability and ease of use by individuals to create their own jobs, as well as serving as upwards configurational mechanisms for others, providing education, training, and peer support for all of the platforms mentioned in Chapter Seven. This makes social media a key driver in the *Breakaway Economy*.

The significance of social media as a key driver in the *Breakaway Economy* is its far-reaching public base. As seen in Table 7-1, the number of social media users in all three countries is over ninety percent.

Table 7.3-1. Social media use and penetration in the UK, Korea, and the US.

	UK	KOR	US
Number of users	57.6m	47m	302.25m
Penetration	90.02%	97%	90%
Most used	WhatsApp	KaKaoTalk	Facebook

\*Data from Social Media (2022), Dixon (2022a) and Dixon (2022b).

There are also a lot of other apps for international communication and usage of social media. For example, although KaKaoTalk is the most used platform in Korea, a substantial number of users were still on Instagram and Facebook.

Perhaps unsurprisingly due to the ubiquitous nature of social media, interviewees were a lot more vocal about why social media is an alternative configuration that individuals would choose over a traditional job in the economy. Interviewees specifically mentioned that social media allowed individuals to avoid many of the *downwards economic constraints* and *cultural economic constraints* in traditional jobs, as well as

aligning well with *cultural resistance counterforces* and allowing individuals to join the *Gateway* or *Breakaway Economies*. These are explained in detail in the next two subsections: 7.3.2.1 and 7.3.2.2.

#### 7.3.2.1 Countering *downwards economic constraints*

Interviewees perceived many reasons why social media is an attractive alternative to a traditional job. One of the main perceptions is that it counters *downwards economic constraints*, offering the opportunity to skip a costly degree, reward for effort, mentors, and work flexibility.

##### 7.3.2.1.1 Skipping a high-priced degree

Some interviewees perceived that utilizing social media as an alternative career pathway could help individuals avoid the *downwards economic constraint* of a high-priced university education. Interviewees perceived that almost anyone could begin a social media channel, and without the need for formal education or unique talents:

Yeah, there is a lot, and they just... Like, for example, let's say, Sajangnim. Let's say Sajangnim scored a goal in the Premier League. And there would be like, 20 or more YouTube channels telling that, "Oh, last night, Sajangnim scored," and blah, blah, blah. And it's like a really easy clickbait. And for those, they, I think it's like, because people know that YouTube can be money, they just, I mean, without any good content, like just making these types of TV-issue telling, like daily news channel that can make a bit of money. So I think they're just doing it. Yes. – Interviewee 14, KOR, university student

This perception conveys the idea that individuals can capitalize on trending stories for monetary gain without any specialized knowledge.



Interviewees did not just discuss creating a job through social media – they also perceived that social media was an alternative pathway to acquire a coveted mainstream job that might not have been accessible to them before.

This interviewee stated that it can be an easier way to pave the way into a mainstream celebrity job:

YouTube stars are now actual celebrities– or becoming real celebrities. And they are getting onto TV panels, and they’re actually taking over like some panels in TV shows.

– Interviewee 14, KOR, university student

Interviewees were able to name many examples of this, such as Awkwafina who became a movie star, or Dixie D’Amelio, who signed a record deal due to her TikTok fame. One interviewee mentioned that small independent film studios will look for actors with large social media followings in order to bring social media significance to their films. It is also well-known in the US, UK, and Korea that if one has a large following, it is easier to get a book deal or be featured on mainstream media. If these perceptions are more widespread, this could reflect a significant shift in how individuals view traditional education and traditional careers.

#### 7.3.2.1.2 Appropriate reward for effort

The second mechanism perceived by interviewees that social media counters is that it offers appropriate reward for effort, and even exponential reward for effort. This mechanism was difficult to ascertain because when asked, interviewees all outwardly stated how difficult it must be to have a social media channel. However, when they began discussing the idea of making a living on social media versus getting a good job in the traditional economy, their perceptions tended to change.

One Korean university student shared his perspective:

I think, because of this thought of, “Ah, there’s too much competition,” and ... I’m just going to find something like YouTube or something like new. Like, I’m just kind of jumping into a new field and try to make money, maybe much easier. – Interviewee 14, KOR, university student

The perception that social media could offer an easier path was offered by interviewees across countries and age groups. Interviewees tended to think that there was more chance of making money on social media than in the traditional economy, or that making money might be easier. Most interviewees also knew someone personally or were following people who they believed had made money and become famous rather easily on social media:

Another friend, actually one of my best friends, actually started streaming on YouTube. Right. So, they started streaming, they made a gaming channel thing was for this game, I think it was called Counterstrike. I counter strike the video games, popular video game here, and she used to make she said that she could pay off her grocery bills just by streaming on average like 3 or 4 hours a week. And I think the best part about that was she was enjoying doing something and she was making money out of that. – Interviewee 16, UK, university student

Yes, because the internet really affects a lot, because if you see YouTube, there are lots of people who get paid more from doing things online. Like pretty people, handsome people, we think they get high pay instead of us, like us, we do hard work, we only focus on work every day, every night, and we get low wage. So that makes us think, it doesn’t matter. Because my effort doesn’t make me get huge money. Because there are people who easily get huge money nowadays. – Interviewee 8, KOR, recent graduate, industry

Most people that I know are all creating their own content in some way, even if it's just Instagram posts or quick little Tik Tok videos. You know, some people can post on Tik Tok and go instantly viral, and then all of a sudden have like their own show or book. All these modeling jobs just for going viral on Tik Tok one night. – Interviewee 21, US, university student

The three examples above, from three different countries, demonstrate that this perception is possibly a worldwide phenomenon. There is the perception that it is easy to make money on social media, and that there is exponential reward for effort.

Interviewees also have the perception that promoting themselves is easier on social media.

I feel like so many people are trying to be like influencers and like then start their own companies and like their clothing brands or anything like that. Yeah, because it's easy to just like promote yourself like way easier on social media than like printing it out and putting it somewhere or something. – Interviewee 21, US, university student

Of course, the perception of ease of promotion, along with the idea of going viral, feeds into the perception of exponential reward for effort.

In Chapter Four, the one *downwards economic constraint* mentioned by almost every interviewee was the lack of appropriate reward for effort in traditional jobs. It is important in this context, because almost every person in each of the three countries in this study could probably name someone in their country who had made what would be considered exponential reward for effort in an online space. Looking at the Forbes Billionaire list, we can see billionaires from each type of technology mentioned in Chapter Seven, including social media.

Table 7.3-2. Tech billionaires by net worth as of March 2021.

Name	Type	Amount (in billions)
Jeff Bezos	Amazon – online product	177
Bill Gates	Microsoft – online product	124
Mark Zuckerberg	Facebook – social media	97
Larry Ellison	Software – online product	93
Sergey Brin	Google – online service	89
Steve Ballmer	Microsoft – online product	68.7
Ma Huateng	Internet media – online product	65.8
Colin Zheng Huang	e-commerce – online product	55.3
MacKenzie Scott	Amazon – online product	53
Jack Ma	e-commerce – online product	48.4
Zhang Yiming	TikTok	35.6
William Lei Ding	Online gaming – online service	33
Wang Xing	E-commerce – online product	26.1
Shiv Nadar	Software services – online service	23.5
Zhang Zhidong	Internet media – online product	23.4
Richard Qjangdong Liu	e-commerce – online product	22.4
Pierre Omidyar	eBay/PayPal – online product and online service	21.4
Eric Schmidt	Google – online service	18.9
Dustin Moskovitz	Facebook – online service	17.8
Pavel Durov	Messaging app – online service	17.2
Eric Yuan	Video conferencing – online service	14.9
Robin Li	Internet search – online service	14.7
Eduardo Saverin	Facebook – online service	14.6
Mike Cannon-Brookes	Software – online product	14.2

\*Data from Forbes

This type of popularized understanding of the exponential reward for effort that can come in the social media or online space makes it very attractive to those who are currently facing the *downwards economic constraint* of lack of appropriate reward for effort in their job in the traditional economy.

### 7.3.2.1.3 Selling the dream – Influencers as examples, motivators, and mentors

Third, interviewees mention the perspective that a strong reason to utilize the upwards configurational mechanism of social media rather than the traditional economy is that it counters the *downwards economic constraint* of lack of mentorship. Influencers on social media, especially on YouTube, serve as examples and mentors as to what can be accomplished in the *Breakaway Economy*, and how to go about utilizing these tech platforms as gateway mechanisms to the *Breakaway Economy*.

Interviewees stated that the reason why people are looking for social media as an alternative to the traditional economy is that influencers are examples of the dream of success:

It depends on your ambitions and everything. But in the end, like we all follow our dream or ideal people on social media, or even if we don't follow, we know about them and it's like our idea of an idealistic future ... but we are all trying to follow a thing that we've seen, for example myself. I want to work myself for the first ten years and then figure out whatever. But my plan is by fifty, have my boat and spend my weekend sailing. And that is because I've seen one do it, you know. – Interviewee 18, UK, university student

Interviewees perceive that influencers are also motivators and mentors to those trying to make their way in their own businesses. They sometimes sell their consulting services to those who start out in their niche. Individuals will see these influencers and become inspired to try the same thing. They may even become students of these influencers:

Me and my friend, we stumbled on this one specific account. There's this guy who runs this marketing agency from, I think, Vancouver, and he basically makes about I think four to five thousand dollars every week from this side hustle, which is absolutely

insane. \$50,000 is, on average, a pretty good salary for a job, and then he makes it as a side hustle. And then he has money coming in from another job. So he shows us pictures on his on his profile of his account this picture of his lifestyle, his house, his cars. He drives like a BMW Zed four, he drives fancy car, fancy house, his vacations, how he travels. I think this is a major selling point for a lot of students, and evidently that's how we became one as well, is that we saw this in the news, got motivated by it, and then you say, "OK, it's not too much work" and you can still make a decent, decent amount of money to survival. And then that's how we were going to contact with him. And we became a student [of his]. This that's how we created our marketing agency. So I think in my case definitely that was a huge factor that played into restarting that whole startup. – Interviewee 16, UK, university student

As mentioned by the interviewee above, influencers also offer a path for individuals of the *Gateway Economy*, or starting a business on the side while having another job or going to school. It can serve as an alternative to a hospitality job with low pay, and individuals can build their channels in the hopes that it can become their full-time job and they can join the *Breakaway Economy*:

In my friend's case, she saw the YouTube channels, I think she was watching a lot of these YouTube influencers, I think. There's this gaming channel, I think it's called Ninja. I'm also familiar with them myself, but this one she told me, she said there was this one guy with blue hair. I think he's very popular right now. Yes, this gaming channel has millions of subscribers, and she's got motivated by them and so she decided to start her own YouTube channel. And yeah, so she I think she saw other people are bringing in just hundreds of thousands in revenue just from people saying the videos, and then these partnerships and these brand deals come in, and then it gives like a

million-dollar income on average a year. Then she maybe thought that 'Even if not hundreds of thousands of dollars, I think it'll still make a decent amount of money because I'm good at what I do, and why not show that to the world and let them have a say in that?' She started off making videos just to, you know, cover basic grocery items. She can, you know, if she needs to go out for dinner, it's a group of people she can just pay it off and still enjoy it. What she's doing, she can still come back and get back on the game because she knows that that's making money to fund her other life to fund her normal lifestyle. – Interviewee 16, UK, university student

Interviewees reported that in Korea, a whole industry has sprung up around mentoring people to build their social media platforms:

Interviewee 8: Like um, in addition, that are a lot of education programs from Seoul to give opportunities for people who retire from their work to learn how to do YouTube.

Interviewer: Really?!

Interviewee 8: Yes, to like, learn how to be a YouTube star or making like films or those kind of things. There are a lot of education programs in Korea.

Interviewer: I have a question, are those new? Like were those around when you were a kid?

Interviewee 8: Yeah, that's really new because we didn't have those programs when I was young.

Although social media exists in all three countries in this study, Korea might be an outlier in this regard because interviewees from other countries had not heard of schools like these YouTube schools, they are in brick-and-mortar buildings, where people can go to learn and produce their own videos.

Korea is also an outlier in another way, as several interviewees reported that the government has even been encouraging people to start their own businesses online. Government programs give Koreans easy access to funding to start their own online businesses:

Interviewee 8: Like the government gives us more money for people who do their own business through online, or young people who try to do their own new business through online, the government is giving money or other help for people to do those things.

Interviewer: So, do you have to apply? I mean, is it easy to get?

Interviewee 8: It's not that difficult, because we can easily find that information online.

Interviewees from Korea explained that these programs are easy to apply for and receive, and they are taken advantage of by all ages, from students to the elderly.

The quotes above illustrate that interviewees perceive social media as a place to find mentorship and inspiration, as well as having the potential to start a business and join the *Gateway or Breakaway Economy*. Having mentors who are motivators and living examples of success is perceived to be one of the main drivers of social media becoming an *upwards configurational counterforce*.

#### 7.3.2.1.4 Flexibility

Another factor that makes social media attractive as an *upwards configurational counterforce* driving individuals toward the *Breakaway Economy* is that it counters the *downwards economic constraint* of lack of flexibility offered by the traditional economy. Social media is that it is easy to do as a side job which has the potential to become full-time with growth over time. Some people start their social media accounts



with the simple intention to make some extra income. For students, it is something they can do during school to make extra money:

The one friend that I mentioned, who started their own YouTube channel... she only had a single mom, and she was dependent on her mom to pay her university tuition fee and all that sort of expenses. And I think she had to ... really try her best to pay off whatever bills that she could think she was motivated by that. – Interviewee 20, US, recent university graduate

Interviewees perceive that social media is easy to do because it can work around almost any schedule. One interviewee reported that companies also know this, and are approaching students to offer them extra money as brand representatives on social media while they are still in school:

We have seen I have seen a few of those [influencers], in particular, our marketing students are pretty good at that. And quite a few of them are working as part-time digital ambassadors for big brands, so some of the big brands have been very savvy in paying digitally savvy students for five hours a week, or whatever, you know, you know, PIN money and but as you said, that looks really, really good on your CV. If you turn up and say I was employed by, you know, Barclays Bank or HSBC or Coca Cola, whoever it might be. So quite a lot of our students ... will do it successfully. – Interviewee 17, UK, university employee

These days, like Instagram, is very popular, so it's like we can see a lot of like, if you have some followers, like some company will send like an e-mail to us, if you can help them to promote their brand or something so they can gain some money. Because of this, I think one like some of my friends are doing this kind of thing. – Interviewee 19, UK, university student

Interviewees were unsure whether students who build an online social media following may decide to continue their careers as full-time influencers once they graduate from university or not, but they perceived that the point is that they have the flexibility to try out the career in a low-stakes way before they graduate.

One interviewee, a student from Korea, had an internship in social media during her third year of university as a YouTuber for a baseball team. Through that internship, she stated that she was able to learn about social media and what she liked and disliked about it before having to make a career decision.

Although not specifically stated by the interviewees, the perceptions that many individuals start social media accounts while in university or otherwise employed illustrate that it is generally understood that social media also allows individuals to have flexibility in their work hours and location. The ability to try out social media while still studying or employed elsewhere is a major reason why social media is an alternative upwards configurational counterforce, and this benefit is one not offered by many types of jobs in the traditional economy.

#### 7.3.2.2 Aligning with *cultural resistance counterforces*

The next two subsection show why interviewees perceive that social media is an *upwards configurational counterforce* that is consistent with and reinforced by *cultural resistance counterforces* in Chapter Six, specifically that individuals can choose their own work contexts and also reflect their change in values due to the Covid-19 pandemic.

##### 7.3.2.2.1 Ultimate work flexibility

Social media is perceived by interviewees as individuals doing something they like to do, and that individuals can choose what contexts they would like to work in. Some who choose social media like to work at home, but others like to be out, on the road, in coffee shops or even sites like WeWork:

WeWork is – well, WeWork is gone but there are lots of WeWork knockoffs in Seoul.

So people could go plug in, do a little bit of work, a little bit of freelance work, and whatever. – Interviewee 9, KOR, university lecturer and government employee

Interviewees have the perception that social media offers the freedom of having a job, but without the traditional *downwards economic constraints* and *cultural economic constraints* that are present at traditional jobs in the economy.

#### 7.3.2.2.2 Alignment with Covid-19 values

As seen in Chapter Six, interviewees perceive a change in values due to the Covid-19 pandemic, with the new values emphasizing happiness over having a job, looking for alternatives to a university degree, and looking for flexibility to have more free time. Another reason why social media has emerged as a perceived strong *upward configurational counterforce* is that it is consistent with these new values. While some interviewees wanted to focus on making money, others simply wanted to have the freedom to do their own thing, fame, and fortune aside:

You should be talented, too, like have this much of subscribers and making good videos, like entertainment videos. And I don't think I can make such videos; I just want to do what I want. And if people like it, that's good. If people don't really like it, that's OK. I don't care. I just want to do my own thing. Yeah. – Interviewee 14, KOR, university student

This interviewee's perception of social media aligns well with the first value change from the pandemic, that it's okay not to have a stressful job and individuals should do what they want to do. This individual is fine with making less money as long as they are doing something they like to do and are in control of their own work. The next interviewee has a similar perception:

I15: Because it [social media] is more fun. Yeah, and when we look, when we watch some kind of YouTube or streaming sites, then they just play games, and everyone gives them money. So, I think, people think it is more easier and fun to do.

As shown by the numerous complaints of downwards constraints in Chapters Four and Five, most interviewees perceived jobs in the traditional economy as a kind of paid slavery, with most people doing something that they dislike or even hate. The perception of social media is very different, with the idea that people may be turning to social media as an alternative to the traditional economy not because they believe they will make more money, but because they believe they will have more enjoyment in their work and more control over their own jobs.

As we have seen in this section, joining social media platforms is one way in which people are seeking alternatives to jobs in the traditional economy. These platforms allow individuals to avoid many of the perceived *downwards economic constraints* and *cultural economic constraints* associated with jobs in the traditional economy. In addition, they also align well with *cultural resistance counterforces*. The ability for social media to fit many of the upwards normative and configurational ideals of today's individuals makes it an ideal configurational alternative for people who don't want to face the downwards constraints of the traditional economy.

Viewed through the *combined reflexive lens*, we can social media's emergence as an *upward configurational counterforce* allowing individuals to join the *Breakaway Economy* as a transformation where individuals are interacting dynamically and reflexively with the larger economy and reacting to systemic changes, creating new and emerging economic features in the process.

#### 7.4 The *Gateway Economy*

The *Gateway Economy* is the somewhat invisible, permeable layer that individuals will pass through, either quickly or slowly, on their way to joining the *Breakaway Economy*. The *Gateway Economy* is the

economic configuration where individuals will start a second job working for themselves in addition to holding a full-time job or going to school, in the hopes that this part-time job will eventually allow them to work for themselves full-time. One special note about this *upward configurational counterforce* is that it can alleviate the stakes of a job in a way that no other full-time job can do, simply because it can be done in addition to a full-time job. Jobs in the *Gateway Economy* serve as a literal gateway between the worlds of the traditional economy and the *Breakaway Economy* by offering an interim solution of allowing individuals to work in both economies simultaneously.

One usually thinks of social media as an easy entry to the *Gateway Economy*, but interviewees have the perception that even online and in-person service platforms can be used in this way. The interviewee below gives a great example of this in China:

In China, if we graduate from like the university in the UK, so maybe they can speak English so they in their spare time they may like to enter that kind of like being a tutor to help some students – to improve their speaking English or because of we because we need to take a test before we get to the UK. So, a lot of people may try to be an ELL teacher. Yeah. Yeah. In their part time, yeah. – Interviewee 19, UK, university student

Interviewees perceived that this part-time work could pave the way to a full-time job for those who really love it or remain a *Gateway* job until the person no longer needs it or saves enough money to try for a different *Gateway* gig that may lead to a *Breakaway* job. The example below is of one such individual, who was using his online service platform to save money to open another service platform of his own.

I have this one friend who I met when I was ordering UberEATS... So, he wants to start a full-fledged education tutoring service based in the UK. ... He wants to have students from across the globe. And you know he can cause it's remote.

The possibility is basically limitless. So, he asked me to put him in touch with some people that I know here. And so that's how I knew with those people that do these UberEATS or through drive taxis, they actually do have another motive that a greater motive and that that isn't their permanent or like the job that they want the rest of their lives. – Interviewee 16, UK, university student

Interviewees from all countries reported that they themselves or people they knew were engaged in the *Gateway Economy*, having side businesses or 'side hustles' in addition to a job in the traditional economy or going to school. Interviewees like the one above perceived that the *Gateway Economy* is an important first step for most individuals who will go on to join the *Breakaway Economy* in the future. It is the low stakes environment where they can learn, test their skills, try new ideas, and build a business before having to leave their traditional job.

#### 7.5 The model of the *Spontaneously Self-Evolving Economy*

Building on the detailed explorations of Chapters Four, Five, Six and Seven, this section proposes using the foundation of the *combined reflexive lens* and creating a new theoretical model: the model of the *Spontaneously Self-Evolving Economy*. This model is built upon the principles of the combined reflexive lens, which drew upon the work of Lindahl, Wagner and Hayek. For my theory, I drew from Lindahl's emphasis on individual decisions as the foundation of the microeconomy and interactions as the foundation of the macroeconomy, Hayek's idea of the combined effect of individual interactions emerging as system properties, and Wagner's concept of emergence which is that emergent features are more than the sum of their parts, and many times cannot be anticipated. This model synthesizes their foundational theories with the observations in this thesis, proposing a dynamic model that recognizes the interplay between individual actions and systemic economic changes. This model is further enhanced by the idea that human interactions can exist outside of and sometimes counter to the institutional and social configurations in the economy. This synthesized model is called the *spontaneous, self-evolving economy*.

The model of the *spontaneously self-evolving economy* uses insights from each chapter that together form the new model. Chapter Four introduced the perceived *downwards economic constraints* that individuals face in traditional jobs. By identifying constraints such as university degrees, competition for jobs, and inflexible job roles – we can see that challenges which serve as constraints for some individuals serve as catalysts for others to seek alternatives outside of the traditional economic configurations and institutions.

Chapter Five introduced the *cultural economic constraints* perceived by interviewees, including constraints like ‘starting at the bottom’, ‘fitting in’, and ‘living the job’. While many individuals adhere to these expectations, the model of the *Spontaneously Self-Evolving Economy* also accounts for how individuals might navigate or subvert these constraints to find or create more fulfilling economic alternatives – illustrating economic evolution driven by individual agency and reflexive decision-making.

Chapter Six introduced *cultural resistance counterforces*, or mechanisms that are created by individual resistance to *downwards economic constraints*. This resistance is a key component of the model of the *Spontaneous, Self-Evolving Economy*, illustrating that individual decisions can be motivated by the pursuit of values such as flexibility, personal happiness or freedom. The model emphasizes the transformative power of individual agency, and this chapter gives insight into the idea that individuals can create and reshape their own economic contributions, and that reshaping is fundamental to larger economic evolution.

Chapter Seven introduced *upward configurational counterforces*, and two emergent manifestations of those are the *Gateway Economy* and *Breakaway Economy*. The chapter delved into how individuals are using technological advancements and social media to transition from traditional job roles to more innovative roles in the economy that provide flexibility and freedom from many of the constraints in traditional roles. The emergence of the *Gateway Economy* and the *Breakaway Economy* are evidence for

the core argument of the model, which is that the economy spontaneously self-evolves as individuals continuously interact with their environments, make reflexive decisions, and shape their own economic realities.

There are four principal aspects of the *Spontaneously Self-Evolving Economy* that make it unique. First, the model focuses on spontaneity and emergence. The model proposes that the economy evolves in real-time as individuals make decisions, and that the economy is proactively shaped by the individuals within it. Second, the model is a disequilibrium model, arguing that the economy is continuously driven by a push and pull between constraints and counterforces, as well as by new ideas, disruptions, and technological advancements. This shifts the focus from the stability of the mainstream economic theory to innovation, adaptation, and growth.

Third, the model emphasizes individual agency more than the combined reflexive lens, viewing individuals as the primary drivers of economic change through their decisions and interactions. For this reason, it also argues that individual actions are not aggregatable into simple economic models due to the often-unpredictable ways that they can affect the economy. Fourth, the model integrates insights from the microeconomic and macroeconomic levels at the same time, illustrating how changes at the microeconomic level, or the level of individual decisions and interactions) can have a profound effect on the macroeconomic level.

#### *7.5.1 Addressing mainstream economic theory*

The model of the *Spontaneously Self-Evolving Economy* was developed as a response to the shortcomings identified in mainstream economic theory detailed in Chapter Two. This model aims to provide a framework that more accurately reflects the reality of the dynamic and emergent nature of the economy driven by individual decisions and interactions as they continuously and reflexively interact with the economic environment. The model contrasts with mainstream economic theories in many ways, but this



section will address the four main criticisms of the mathematical lens addressed in the literature review: aggregation, price action, assumptions about the market, and assumptions about people.

First, the model contrasts with mainstream economic theory, which favors aggregation and economic models as methods for analysis and prediction. The model of the *Spontaneously Self-Evolving Economy* recognizes the power of individual decisions at the microeconomic level and their emergent effects at the macroeconomic level, as well as the complexity of the interactions between the two levels.

Second, while mainstream economic theory often uses price action as a lens to view the economy, the model of the *Spontaneously Self-Evolving Economy* views prices as outcomes, but also as inputs that individuals use for decision-making, and recognizes that both prices and individuals are influenced by the environment. Third, the model rejects the idea of stability in the economy, recognizing that the economy is continuously spontaneously evolving, driven by the spontaneous and reflexive decisions of individuals. This model aligns with Hayek's views on the difficulty of achieving equilibrium when individual plans are continuously evolving.

Fourth, mainstream economic theory tends to overlook individual agency and its power in driving economic activity. The model of the *Spontaneously Self-Evolving Economy* incorporates individual agency and the idea of disequilibrium to show that the economy evolves through the reflexive actions of individuals interacting with the economic environment.

By directly addressing these four main criticisms, it is hoped that the model of the *Spontaneously Self-Evolving Economy* provides a more realistic framework for understanding the role of the individual and individual contribution in the economy.

In conclusion, the model of the *Spontaneously Self-Evolving Economy* builds on the foundational concepts of the *combined reflexive lens*, as well as the insights provided from the data in Chapters Four through Seven. Its unique features include spontaneity, disequilibrium, individual agency and the emergent impact

of individual actions on the macroeconomy. It is hoped that this new model provides a significant contribution to economic theory, providing a unique and realistic perspective on the dynamic and spontaneously evolving nature of the economy. As this model is based upon the perceptions of a small number of interviewees, it will need to be tested to confirm its validity and application to the economy.

## 7.6 Conclusion

Discovering the *Gateway Economy* and the *Breakaway Economy* through interviewee perceptions and the creation of the new model of the *Spontaneously, Self-Evolving Economy* are the most important contributions of this study and would not have been possible without looking at the economy through the *combined reflexive lens* and a critical realist lens, along with the Vincent and Wapshott (2014) framework for the analysis of mechanisms. These lenses and framework encouraged taking the viewpoint of the economy as spontaneously evolving from the individual level, culminating in the understanding of the significant role individuals are perceived to play in the emergent and dynamic economic system, and the interplay and complexity of the relationship between the individual and the economy.

The perceived *upwards configurational counterforces* identified in this chapter indicate that the economy is expanding and evolving as more individuals take advantage of alternative economic pathways such as online product sales, online service sales, investing, or social media. This shift is creating the perception of emergent features such as the *Gateway* and *Breakaway Economies* as individuals search for ways to avoid *downwards economic constraints* and align with upward counterforces.

More research should be done on whether these perceptions are more widespread and how many individuals might be taking part in upward counterforces such as 'Lying flat', 'Thinking empty' or joining the *Gateway Economy* and the *Breakaway Economy*. For economists, policymakers, and traditional institutions, it is important to understand the *Gateway Economy* and how many people are joining it, as well as how many people become successful at their Gateway job and join the *Breakaway Economy*. If

these phenomena become more widespread, these individuals will perhaps not be available for jobs in the spontaneously evolving traditional economy, regardless of how much the jobs pay, which could affect the total workforce available to fill jobs in the traditional economy.

In addition, research which provides more understanding of the downwards normative and configurational constraints that are impacting individuals and driving these upwards counterforces in response, might aid employers in mediating these mechanisms to make jobs more attractive to today's workforce. Lastly, research should be done which tests the final model and its application to the economy.

At the end of this chapter, you might be wondering, is this just a tiny percentage of the population? Or a fad that is going to wear itself out over time? Are we seriously saying that a bunch of kids who want to sit at home and put videos on YouTube are actually going to change the economy? If those are your thoughts, I can't say that I blame you. I also had those feelings when I uncovered these phenomena in my first set of interviews. However, as each subsequent interviewee added more to the narrative, I started to get a feeling that there was something bigger here...something that Lindahl could only have guessed at back when he was writing his book in 1919. There could be a larger story at work here, and it has everything to do with individuals driving the economy through their actions and doing what they want to do, rather than submitting to the downwards constraints that large organizations and institutions have been able to force on them for so long. I believe this could be one of the most important underreported phenomena in our modern era, however only time and further research will tell us exactly how the economy will evolve.

Finishing our table on the normative and configurational mechanisms found in this study, we add the final box, Upwards configurational mechanisms changing the spatial distribution of individuals in the economy.

Table 7.6-1. Data on normative and configurational mechanisms from both rounds of interviews.

	<b>Configurational mechanisms</b>	<b>Normative mechanisms</b>
<b>Downwards</b>	<p><i>Downwards Configurational mechanisms, or downwards economic constraints</i></p> <ul style="list-style-type: none"> <li>• Pre-employment constraints:               <ul style="list-style-type: none"> <li>• University degree</li> <li>• Job acquisition difficulties</li> </ul> </li> <li>• On-the-job constraints:               <ul style="list-style-type: none"> <li>• High stakes</li> <li>• Poor management practices</li> <li>• Inflexible work structures</li> </ul> </li> <li>• Career-impacting constraints               <ul style="list-style-type: none"> <li>• Lack of mentorship</li> <li>• Limited lifestyle</li> </ul> </li> <li>• Covid-19               <ul style="list-style-type: none"> <li>• Lack of socialization</li> <li>• Formalized communication</li> <li>• Increased flexibility</li> <li>• Higher taxes</li> </ul> </li> </ul>	<p><i>Downwards Normative mechanisms, or cultural economic constraints</i></p> <ul style="list-style-type: none"> <li>• Conforming to job demands:               <ul style="list-style-type: none"> <li>• Starting at the bottom</li> <li>• Working under supervision</li> <li>• Adjusting to varying work</li> <li>• Structured time</li> </ul> </li> <li>• Conforming to the social context:               <ul style="list-style-type: none"> <li>• ‘Fitting in’</li> <li>• ‘Living the job’</li> <li>• Dealing with age</li> </ul> </li> <li>• Work is meaningless</li> <li>• Covid-19</li> </ul>
<b>Upwards</b>	<p><i>Upwards Configurational mechanisms, or the configurational resistance counterforces</i></p> <ul style="list-style-type: none"> <li>• ‘Lying flat’</li> <li>• ‘Thinking empty’</li> <li>• The Evolving traditional economy</li> <li>• The spontaneously evolving <i>Breakaway Economy</i></li> <li>• The spontaneously evolving <i>Gateway Economy</i></li> </ul> <p>Drivers of the Gateway and Breakaway Economies: Tech platforms and social media</p>	<p><i>Upwards Normative mechanisms, or cultural resistance counterforces</i></p> <ul style="list-style-type: none"> <li>• Challenging job context constraints:               <ul style="list-style-type: none"> <li>• Demanding equal treatment</li> <li>• Not ‘filling the gap’</li> </ul> </li> <li>• Counter cultural context constraints               <ul style="list-style-type: none"> <li>• Not ‘living the job’</li> </ul> </li> <li>• Covid-19 mechanisms               <ul style="list-style-type: none"> <li>• It’s okay not to work</li> <li>• It’s okay not to have a degree</li> <li>• Demanding flexibility</li> </ul> </li> </ul>

## 8 Conclusion and Discussion

This thesis has argued that we should be using an alternative lens than mainstream economic theory to examine the economy today. The reason for choosing this alternative is that mainstream economics does not give us a realistic view of the economy due to mathematical formalism, including aggregation, the lens of price action, assumptions about the market, and most importantly, the assumptions about people. These criticisms suggest the need to explore alternative perspectives, and the purpose of this research is to explore one alternative approach that could potentially provide deeper insights into individual economic behaviors and individual interactions with the economy. To do so, this thesis utilized an alternative approach begun by Lindahl in 1919 and subsequently built upon by Hayek (1935) and Wagner (2020), which understands that the economy is created through individuals; through individual decisions at the micro level, and through individual interactions at the macro level, and those interactions at the macro level can create emergent features in the macroeconomy that no individuals could have intended or anticipated. This alternative theory was called the *combined reflexive lens*.

### 8.1 Methodology and Method

Chapter Three argued against the philosophical underpinnings of mainstream economic theory, which include empirical realism and three-fold methodological individualism; and called for the use of critical realism as an alternative lens to study the economy as it aligns with the *combined reflexive lens* due to its layered and transformational ontology of the real, actual, and empirical. This perspective allows retroduction of qualitative data from observed (or perceived, in the case of this thesis) economic outcomes to hypothesize underlying mechanisms. This thesis utilized the Vincent and Wapshott (2014) framework to classify mechanisms and upward and downward, normative and configurational.

Two sets of interviews were conducted with participants from three countries: South Korea, the UK, and the US. The first set of interviews was in fall of 2021 and focused mostly on the older generations and the

second set of interviews was in spring of 2022 and focused mostly on the younger generations. Interviewees were from four different generations whose views roughly collapsed into two categories, Baby Boomers/GenX and Millennials/GenZ.

## 8.2 Contributions to the literature and answering the research questions

There are five significant contributions emerging from this study, suggesting potential trends in economic behavior which could be further researched. They are as follows:

1. The identification of perceived *downwards economic constraints*
2. The identification of perceived *upwards resistance counterforces*
3. The identification of the perceived *Gateway and Breakaway Economies*
4. The cross-national, cross-generational nature of these perceptions
5. The proposed model of the *Spontaneously Self-Evolving Economy*, formulated from the synthesis of the combined reflexive lens and the observed data.

This section details how these findings answer the original research questions and how they go beyond the research questions.

### 8.2.1 First research question and first two significant findings

The first research question is as follows:

- a. What are the key mechanisms that drive how individuals decide to contribute to the *spontaneously self-evolving economy*?

Answering this question led to the first two key findings and contributions to the literature of this study.

#### 8.2.1.1 First significant finding: Downwards mechanisms

The first significant finding of this research study is the identification of perceived downwards mechanisms that shape how individuals choose to participate in the economy. Chapter Four identified perceived

downwards configurational mechanisms, or *downwards economic constraints*, are shown in the first box of Table 8-1 below and are perceived to come from the structural configuration of the wider economy and are reported to put pressure on individuals, potentially limiting their economic contribution or prohibiting them from contributing in the first place.

The perceived *downwards economic constraints* found in this study fell into three areas: pre-employment, employment, and career mechanisms. These include acquiring a university degree, competing for jobs, high stakes, poor management, lack of flexibility, lack of mentorship and lack of reward for effort. It was found that the Covid-19 pandemic exacerbated some of these perceived constraints and introduced new ones such as lack of socialization, formalized communication, and flexibility in work location due to virtual work.

Chapter Five identified perceived downwards normative mechanisms, or *cultural economic constraints*, shown in the second box of Table 8-1. These constraints are perceived to put downward pressure on individuals to conform while at work or interacting with others in the economy. These constraints fall into two categories: work context and cultural context – which pressure individuals to conform to the cultural or societal contexts of the economy, such as starting at the bottom, working under supervision, performing during structured time, as well as the ideas of ‘fitting in’, ‘living the job’ and dealing with age.

The perception that these downwards constraints are influencing individuals’ decisions and interactions by inciting them to produce less, have lower morale, have less company loyalty, or even to try to leave the traditional economy altogether illustrates the point that the idea of *homo economicus* used in mainstream economic theory needs to be improved upon to be more reflective of individuals participating in the economy today. If individuals ever did take the ultra-rational, financial utility-focused view which mainstream economics puts forth in the idea of *homo economicus*, these perceptions might indicate that this view has changed drastically in current times and deserves further research. As reported in the section

on value changes due to the Covid-19 pandemic, the participants in this study seemed to place more value upon free time, flexibility, and lifestyle, especially as they see the gap between their wages and their ability to afford housing and what they would consider a good lifestyle grows. The fact that this value shift was reported in all three countries by all different age groups could mean that it is widespread yet being overlooked by mainstream economics due to lack of consideration of the individual perspective.

Adopting the *combined reflexive* lens or the proposed model of the *Spontaneously Self-Evolving Economy* allows us to view the individual not just as an economic agent, but as a reactive, volitional, creative, and spontaneous entity interacting with the wider economy and making reflexive decisions.

#### 8.2.1.2 Second significant finding: Upward mechanisms

Through the analysis in Chapters Four and Five, it was observed that individuals have emotional reactions to their economic environments, and further data analysis through the *combined reflexive lens* revealed that when individuals in the economy are acted upon by downwards constraints, these emotional reactions might lead them to create upwards counterforces. Thus, the perceived downwards constraints are met by upwards counterforces, which are the lower two boxes in Table 8-1 below. These lower two boxes represent the second significant finding of this study, which is its contribution to the understanding of resistance behaviors within economic structures. Chapter Six demonstrates the possibility that individuals employ upwards normative mechanisms and Chapter Seven demonstrates that individuals might employ upwards configurational mechanisms to counteract the pressures of downwards mechanisms.

These potential upward counterforces suggest that forms of resistance often emerge as non-conformity or the pursuit of economic alternatives outside of the traditional institutional configuration, which contributes to the ongoing discourse on individual agency within economic theory which I briefly mentioned in Chapter Three. Researchers such as Margaret Archer (1995, 2000, 2003), Danermark et al



(2019), Elder-Vass (2010) Karlsson (2020) and Sayer (2010) have been making inroads in defining the power of agency, types of agency, and how agency works in society and economics for many years. This research can shed new light on aspects of this research, for example, Archer puts forth the idea of Corporate Agency as organized with stated, shared goals, and Primary Agency as unorganized – but the data in this study suggests that although the primary agents are unorganized, they may still be contributing to emergent organized phenomena at the level of the macroeconomy, which should be further investigated.

The box in the lower right of Table 8-1 is discussed in Chapter Six and contains the perceived upwards normative mechanisms, or *upwards cultural counterforces*. These are potential mechanisms of *economic non-conformance*, counterpressures to the downwards constraints on individuals in the economy. It is possible that these *upwards cultural counterforces* can cause individuals to re-evaluate how they work and possibly decide not to conform to the downwards norms such as ‘fitting in’ or ‘living the job’. They could also influence individuals’ decisions on whether to work in the traditional economy or try to find alternatives.

The last box of Table 8-1 contains upwards configurational mechanisms, or perceived *upwards configurational counterforces*. These counterforces are said to arise from individuals through their decisions and interactions as they search for ways to avoid downwards constraints from the traditional economy and in the process, potentially creating differences in structure or emerging features in the macro economy. Two potential emergent features in the macroeconomy are the *Gateway Economy* and the *Breakaway Economy*, which are discussed in the next section.

These perceived upward counterforces suggest that individuals have the power to shape their own economic contributions through challenging existing constraints or taking alternative pathways. These

findings suggest that, if this individual agency becomes widespread, individuals could have the power to create emergent configurational changes to the economy.

#### 8.2.1.3 Third significant finding: Emerging macroeconomic features, or the *Gateway Economy* and the *Breakaway Economy*

There are two potential emerging features of the macroeconomy which were identified as the *Gateway Economy* and the *Breakaway Economy*. These features help to answer the second research question:

##### *b. What is the impact of individual decisions in evolving the economy?*

This third significant finding shows the potential impact of individual decisions on the evolution of the economy, more specifically the perceived emergence of new configurations in the economy formed due to trends of individuals forgoing degrees, resisting conformity, opting out of conventional paths, and seeking alternatives to traditional jobs. This could indicate a paradigm shift with potentially profound implications for the traditional workforce and economic structure.

In Chapter Seven, it is suggested that individual decisions and individual interactions, potentially catalyzed through technology and social media, might be contributing to emergent *upwards configurational counterforces* termed the *Gateway Economy* and *Breakaway Economy*. The *Gateway Economy* is reported to consist of individuals who are working a second job in addition to their job in the traditional economy with the intention of trying to join the *Breakaway Economy*. It is suggested that individuals in the *Gateway Economy* are testing out their new jobs or attempting to build a brand before quitting their jobs in the traditional economy.

The perceived *Breakaway Economy* consists of a potentially growing number of individuals who are opting out of working in jobs offered by the traditional economy. The types of jobs that interviewees mentioned in the *Breakaway Economy* fell into three categories: tech platforms, social media platforms, and investing platforms. The two perceived catalysts allowing people to join the *Gateway* and *Breakaway Economies*

are tech platforms and social media platforms. Interviewees reported that they themselves or people they know are joining the *Gateway Economy* or *Breakaway Economy* to avoid the downwards constraints of the traditional economy, as well as to align with upwards counterforces. For example, the *Gateway Economy* and *Breakaway Economy* jobs are reported not to require university degrees, interview processes, or conforming to the work context or sociocultural context in the workplace.

	<b>Configurational mechanisms</b>	<b>Normative mechanisms</b>
<b>Downwards</b>	<p><i>Downwards Configurational mechanisms, or downwards economic constraints</i></p> <ul style="list-style-type: none"> <li>• Pre-employment constraints: <ul style="list-style-type: none"> <li>• University degree</li> <li>• Job acquisition difficulties</li> </ul> </li> <li>• On-the-job constraints: <ul style="list-style-type: none"> <li>• High stakes</li> <li>• Poor management practices</li> <li>• Inflexible work structures</li> </ul> </li> <li>• Career-impacting constraints <ul style="list-style-type: none"> <li>• Lack of mentorship</li> <li>• Limited lifestyle</li> </ul> </li> <li>• Covid-19 <ul style="list-style-type: none"> <li>• Lack of socialization</li> <li>• Formalized communication</li> <li>• Increased flexibility</li> <li>• Higher taxes</li> </ul> </li> </ul>	<p><i>Downwards Normative mechanisms, or cultural economic constraints</i></p> <ul style="list-style-type: none"> <li>• Conforming to job demands: <ul style="list-style-type: none"> <li>• Starting at the bottom</li> <li>• Working under supervision</li> <li>• Adjusting to varying work</li> <li>• Structured time</li> </ul> </li> <li>• Conforming to the social context: <ul style="list-style-type: none"> <li>• ‘Fitting in’</li> <li>• ‘Living the job’</li> <li>• Dealing with age</li> </ul> </li> <li>• Work is meaningless</li> <li>• Covid-19</li> </ul>
<b>Upwards</b>	<p><i>Upwards Configurational mechanisms, or the configurational resistance counterforces</i></p> <ul style="list-style-type: none"> <li>• ‘Lying flat’</li> <li>• ‘Thinking empty’</li> <li>• The Evolving traditional economy</li> <li>• The spontaneously evolving <i>Breakaway Economy</i></li> <li>• The spontaneously evolving <i>Gateway Economy</i></li> </ul> <p>Drivers of the Gateway and Breakaway Economies: Tech platforms and social media</p>	<p><i>Upwards Normative mechanisms, or cultural resistance counterforces</i></p> <ul style="list-style-type: none"> <li>• Challenging job context constraints: <ul style="list-style-type: none"> <li>• Demanding equal treatment</li> <li>• Not ‘filling the gap’</li> </ul> </li> <li>• Counter cultural context constraints <ul style="list-style-type: none"> <li>• Not ‘living the job’</li> </ul> </li> <li>• Covid-19 mechanisms <ul style="list-style-type: none"> <li>• It’s okay not to work</li> <li>• It’s okay not to have a degree</li> <li>• Demanding flexibility</li> </ul> </li> </ul>

Table 8.2-1. Final normative and configurational mechanisms from both rounds of interviews.

These emergent macroeconomic features, the *Gateway Economy*, and *Breakaway Economy*, are perhaps the most significant findings of this study because they suggest a potential evolution of the economy evolving from the level of the individual in a way not recognized by mainstream economic theory.

Under this section on emergent features, it is important to discuss Wagner (2020). His work added the idea that unintended emergent features would appear in the macroeconomy that were not intended by those within it. The first argument I had against using Wagner's full thesis for this work was his premise that a feature emerging 'spontaneously' was more often than not one which hadn't been chosen. This study illustrates that in an interesting way. The potential configurations of the *Gateway Economy* and the *Breakaway Economy* are emergent features coming from the individual or microeconomic level. While they might not have been actively chosen to occur at the macro level by individuals who were seeking their emergence, nor by those who run traditional institutions, we cannot make the argument that they are occurring from not being chosen at all at the individual level. Indeed, if they are emerging, it could be said that their emergence is the product of conscious collective choice at the individual level.

The second argument I had against using Wagner's Open-Ended Evolving systems method in this research was that the aggregation of data shifts the focus away from the level of individuals to the level of institutions, which is where he was searching for emergent features. This study shows that examining the individual level could give us an indication of where to look for potential emergent features in the macroeconomy.

In summary, the interplay between downwards and upwards configurational and normative mechanisms is proposed to influence how individuals decide to contribute to the economy. These mechanisms might also drive whether individuals decide to contribute to the traditional economy or one of the emerging macroeconomic configurations such as the *Gateway Economy* or the *Breakaway Economy*. This research suggests the need for further research to validate and understand the scope and impact of the mechanisms.

#### 8.2.1.4 The fourth significant finding: Cross-generational and cross-national similarities

The fourth significant finding in this paper was completely unanticipated and not mentioned in the literature review or methodology. That finding is that the perceived upwards and downwards mechanisms and potential emerging macroeconomic features reveal the convergence of attitudes across generational and national groups. This finding suggests that perceived upwards and downwards mechanisms, as well as the potential emerging features such as the *Gateway Economy* and *Breakaway Economy*, might be influencing and influenced by individuals across generational and national groups. There are slight variations among these groups, however, there is an interesting trend of convergence in perspectives towards work and life in response to recent challenges such as Covid-19.

This apparent convergence highlights a gap in the existing mainstream economic literature, which traditionally uses generational cohorts or country-of-origin cohorts to segment behavior patterns. According to the Pew Research Center, “an individual’s age is one of the most common predictors of differences in attitudes and behaviors” (Pew Research Center, 2015). So, it becomes quite interesting to see convergence across generations in attitudes toward work and issues such as the *Gateway* and *Breakaway* economies.

The fact that we see convergence across nations is also interesting. This also might mean that Durkheim’s examples of norm communities need to be updated for the 21<sup>st</sup> century. As mentioned in section 3.6 of this thesis, Durkheim gave examples such as society, occupation, religion, and family as different types of normative collectives in 1984. The data seems to demonstrate that Anderson’s (1991) idea of imagined norm circles is much closer to reality, and those circles are much broader and more diffuse now, encompassing individuals from different nations, industries, religions, and even age groups worldwide due to the prevalence of the internet.

While these observations are interesting, they should be considered preliminary rather than definitive due to the small sample size and nature of this study. Whatever the reason for convergence, this is definitely a finding to take note of and perhaps warrants further investigation in future studies.

#### 8.2.1.5 The fifth significant finding: the model of the *Spontaneously Self-Evolving Economy*

This study culminates in the proposal of the model of the *Spontaneous, Self-Evolving Economy*, which synthesizes the theoretical foundation of the *combined reflexive lens* with the insights from the interview data to offer a theoretical framework that offers an alternative conception of the economy and individual actions. The model proposes that the economy is spontaneously self-evolving through the continuous, reflexive actions of individuals who react to their environment and then actively shape their responses. The model suggests that these collective individual actions can lead to emergent features at the macroeconomic level which might be intended or unintended and unexpected.

Based on the data, the model suggests that downward pressures such as *downwards economic constraints* and *cultural economic constraints* may drive individuals to create upward counterforces such as *cultural resistance counterforces* or *configurational resistance counterforces*, such as the *Gateway Economy* and the *Breakaway Economy*. Individuals might consider these proposed emerging macroeconomic configurations as alternatives to traditional jobs due to the ability to avoid downwards constraints and the alignment of these configurations with their personal values.

The model suggests that there is a complex interplay between individual actions and systemic economic changes, where the relationship is one of bidirectional influence and both are spontaneously evolving based upon interactions with the other. This model also considers the idea that individual interactions can exist outside and sometimes counter to the institutional and social configurations in the economy, leading to spontaneous evolution in new directions. The findings from this study suggest the need for further

research to quantitatively test the model and validate the hypothesized impacts of individual agency on macroeconomic systems and structures.

### *8.2.2 Summary of contributions to the literature*

In summary, the finding of perceived downwards mechanisms or downwards constraints provides a significant contribution to the literature by challenging the idea of workers as unemotional, purely utility-maximizing agents put forth in mainstream economic literature. Interviewees described how downwards constraints have influenced their behaviors and interactions in the economy, potentially hindering their contributions to the economy either over the short- or long-term duration of their career. These findings suggest that we should view the individual not just as an economic agent, but as a reactive, volitional, creative, and spontaneous entity interacting with the wider economy and making reflexive decisions.

Perceived upwards mechanisms provide a second contribution to the literature because they suggest that when acted upon by downwards constraints, individuals react emotionally and create upward counterforces. These counterforces are potential examples of resistance behaviors within economic structures and suggest that emergent macroeconomic changes may come from the individuals inside the economic model. This also provides further evidence that individuals are not purely unemotional, utility-maximizing agents, but creative, volitional beings who will react in unexpected ways to pressures exerted upon them.

The third contribution to the literature is the potential impact of individual decisions on the evolution of the economy, particularly through perceived emergent configurational features in the macroeconomy such as the *Gateway Economy* and the *Breakaway Economy*. The analysis of these emergent configurations suggests that they are potentially catalyzed by technology platforms and social media. These possible emergent features propose the spontaneous evolution of the economy with decisions at the individual level, and that both individuals and the economy spontaneously evolve through a complex



interplay between the microeconomic and macroeconomic levels in an iterative and reflexive process. These findings confirm the ideas of Hayek and Wagner that individual decisions and interactions can produce emergent features in the macroeconomy and contribute to the ongoing discourse on individual agency within economic theory. This contribution suggests the need for further research to validate the emergence of these new features and explore the implications of these findings.

The fourth contribution to the literature is the finding that many of the attitudes and behaviors reported by participants in this study cross generational and national boundaries. This suggests that traditional economic models may need to rethink how generational and national differences are understood, providing an avenue for further investigation in the future.

The fifth contribution to the literature is the proposed model of the *Spontaneously Self-Evolving Economy*. This model integrates the theoretical foundation of the *combined reflexive lens* and the findings from this study to propose a new perspective on economic dynamics. The model proposes that the economy evolves at both the microeconomic and macroeconomic levels through the spontaneous and reflexive actions and interactions of individuals and their emergent properties. By proposing that individual decisions and interactions can lead to emergent macroeconomic features and outcomes, this model advances our understanding of economic evolution as an intrinsic process driven by the individuals within it.

These five contributions illustrate that there is a gap in mainstream economic literature as far as its treatment of the individual's role within economic theory. We can see that mainstream economics needs to expand its perspective to include the individual as a creative, volitional force with the potential power to shape their own economic contribution, and maybe even the emergent features in the macroeconomy. These contributions open new avenues of inquiry and illustrate the potential power that the model of the

*spontaneously self-evolving economy* and the methodology of critical realism have much to offer as lens for examination of this phenomenon.

### 8.3 Opportunities for further work and building links between fields

Rather than finding the final answers to the issue of the individual and the economy, this thesis raises many legitimate questions that cross the whole spectrum of business topics. In my opinion, some big questions for future research and investigation are explored in the following paragraphs.

The first big question is, if individual decisions and interactions have so much power in the economy, should we be treating individuals as assets in the economy and accounting, rather than as costs of goods sold or as a means of production?

If economists and organizations began to understand the true power of the individual in the economy, perhaps there would be a paradigm shift toward investing in human capital at all levels. An article by Rouen (2019) in the Harvard Business Review explains that the current system was derived from the Industrial Revolution, where the machines went on the balance sheet and humans were simply interchangeable bodies used to run them. Times have changed, however, and for many organizations, humans are the direct link to their tacit knowledge and success. If we began to see individuals as assets, organizations might have to begin disclosing their investments in human capital, a system might be devised to track the management of human capital over time, and academic conversations could be created and advanced along these lines. This could also lead to opportunities to examine how traditional jobs could minimize downwards constraints on their employees and better align with the values of today's workforce.

The second big question might be, what if we took another look at our economic indicators and included more around individual contribution? When we look at indicators such as GDP and productivity metrics, they don't give us an idea of why those numbers might be increasing or decreasing. There were wide

variations in how the G20 economies recovered from the pandemic, with China in the lead showing a +7.1% increase in 2021 vs 2019, and the UK showing the largest loss of -8.7% in the same time frame (BBC, 2021). The attitudes of individuals towards working or economic participation could affect the economic indicators in a significant way. Economic theory has been founded on a key set of indicators that seemed to work well for many decades. But should we still be using the same indicators as we were a century ago? This thesis implies that individuals have more of a direct impact on the economy than previously thought, and perhaps it is time to rethink these indicators for ones that might have more relevance to the contribution of the individual in the economy today.

The third large question is what are the largest contributing factors to structural changes in the economy? Is it generational shifts, cultural influences, or economic pressures such as widening inequality and lack of affordable housing and lifestyles? If we can uncover the most important factors, perhaps we can begin the search for solutions and address emerging challenges as they arise.

The fourth question, is what if we had a true call to arms for the adoption of critical realism as a lens for understanding economic reality and searching for the mechanisms that are creating that reality? As cited in Chapter Two, there have been many calls for economic theory that is closer to reality. The use of critical realism in this study has enabled the discovery of unique findings, providing a deeper view of how individuals interact with and shape their economic contexts and contributions. For critical social scientists, how is the individual internally relating to social reality, vis a vis Tony Lawson (2003), do social positions matter in these individual decisions, and how is the new reality of social media changing this? What powers and tendencies from social reality encourage individuals to make decisions? For the critical economists, what is the economic reality experienced by individuals, and how is the individual relating to this economic reality? What economic results are emerging that would contradict orthodox economics and provide more insight into the true nature of economic reality? And a final set of questions that are to some extent interdisciplinary: What is the nature of the difference between the agents hypothesized by

mainstream mathematical economics and the individuals we find in the economy today? Where is the greatest disparity? Is it in the assumption that individuals are utility-maximizing agents? Is it in the values that individuals hold about work and life? Is it the nature of individuals' interactions with others? Is it the reactions that individuals have to shocks such as the Great Recession, housing prices, or Covid-19? Critical realism could be used to answer many of the questions above in their respective fields and explore their further implications.

#### 8.4 Conclusion

The *combined reflexive lens* and the proposed model of the *Spontaneously Self-Evolving Economy* charts a new course in comparison with mainstream economics. Rather than taking a mathematical approach, this thesis takes a more subjective approach – looking at the individual as the creator of the microeconomy through decisions and the macroeconomy which emerges through interactions. Ideas regarding the individual have been drawn from Lindahl's (1919) economic theory, as well as Hayek's theory of combined effects at the macro level (1935) and Wagner's (2020) idea of emergence at the macro level which have contributed to the theory of the *spontaneously self-evolving economy* used in this paper.

The utilization of this lens as well as the perspective of critical realism and the framework modified from Vincent and Wapshott (2014) helped to uncover perceived downwards constraints that influence individuals when they are deciding how to make an economic contribution and during the ongoing process of making that contribution over their career. It also suggested that there are upward counterforces which are contributing to resistance behaviors and perhaps even to emergent configurational features in the economy called the *Breakaway Economy*, with many others who are attempting to join it in the *Gateway Economy*.

Through this research, the limitations of the mathematical perspective of mainstream economics which uses the idea of individuals as rational, utility-maximizing agents who have perfect information became apparent. Perhaps the most important lesson from this research can be summarized as follows:

Without people, there would be no economy. Individuals are its creators, and their agency has the power to shape their own economic reality as well as the potential to create emergent features in the larger economic system. The best economic theory is one which takes this into account and focuses on the individuals and their abilities, offering them the ability to create good lives from their economic contributions, thus generating economic growth and innovation for all.

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# Appendix A – Consent Form

## Participant Information Sheet and Consent Form

**Project Title:** The Value of Higher Education to the Sociopolitical Economy of South Korea, UK, & US

LANCASTER  
UNIVERSITY

Management  
School



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**Researcher:**

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**Purpose and Nature of the Project:**

This research study is investigating how individuals contribute to the sociopolitical economy of the UK, US and South Korea, and how undergraduate business education impacts that contribution. The study will contribute to a doctoral thesis in the Organization, Work and Technology Department at Lancaster University in Lancaster, England. Participants are invited to take part based upon their current job status, which will consist of government officials, university professors and administrative staff from universities and business schools, business school alumni, and current university students.

**Explanation of Procedures:**

Participation is completely voluntary, and should you choose to participate, your involvement will consist of one, 30 to 45-minute interview, with the potential for one more follow-up interviews if more information or follow-up questions are needed.

**Confidentiality:**

Participant anonymity is guaranteed. There are no particular advantages or disadvantages of taking part in the study, except to give your opinion. Analysis of the information will be presented in the PhD thesis and may be published should the occasion arise, but no one will be mentioned by name. If you wish to stop participating in the study during the interview, or within two weeks after the interview, your information will be destroyed. Hard copies of data will be stored in a locked file cabinet at a secure location for the next seven years. Data will be anonymized in computer files and will be available only to the researcher and mentor. It will not be logged within a data archive or accessible to other researchers.

**What Signing This Form Means:**

By signing this form, you are agreeing to participate in the research project. The purpose, procedures to be used, and confidentiality of your participation has been explained to you in detail. You can refuse to participate or withdraw from this research project at any time within two weeks from your interview time and your information will be destroyed. Should you have any questions, concerns or complaints, you may contact Dr. Hesketh, the research supervisor.

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Researcher: Christina Gasser Scotte

Sign: 

Date: 10/1/21

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Interviewee:

Sign:

Date:

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## Appendix B. Interview schedule of questions

1. What degree did you do?
2. What is your job now?
3. Do you think your degree prepared you well for this job?
  - a. What skills did you have?
  - b. What skills were missing?
  - c. Any changes since covid?
4. What challenges did you have as a graduate?
  - a. Getting a job?
  - b. Performing in the job?
5. What are some things you wish universities would have taught you?
  - a. Skills
  - b. Abilities
  - c. Knowledge

### EMPLOYEES

6. What is different in the workplace since you were a graduate? Before / After covid?
7. Do you think graduates today are different than you were?
8. How do you think new graduates and current employees feel about their jobs since covid?
9. Are you having trouble finding people for low wage jobs in your area? Has it changed since covid?
10. How do you think employers feel about employees since covid?

### UNIVERSITIES

5. Do you think universities are working well with companies now to get graduates into jobs?
6. How do you think universities could work better with companies?

### GOVERNMENT

7. Do you know if the government is doing anything special for employees during covid?
8. Are there any new government programs for companies to keep workers?
9. Are there any new government programs for universities to make better graduates?



## Appendix C. Illustrative Sample of the Coding Process

**Gioia Data Structure Chart for Chapter 7: The Breakaway Economy**

Quotes	First-Order Themes	Second-Order Themes	Research Contribution	
"Korea is a difficult place to be happy...they are working here and there, changing jobs." – Interviewee 9	Perception of constrained job opportunities	<i>Downwards economic constraint</i>	Gateway or Breakaway Economy	
"Talking in the company...own business...a lot have decided to move on for more money...less stress." – Interviewee 11	Seeking independence and less stress	Cultural resistance counterforce		
"Yeah, so there are a lot of other things to do from online. Like selling things from online, they can earn more money from that." – Interviewee 8	Online sales platforms as new career avenues	Upward configurational counterforce	Technological Advancements driving the Gateway and Breakaway Economy	
"People who got like an online learning business really boomed here." – Interviewee 5	Online service platforms as new career avenues			
"YouTube stars are now actual celebrities... they're actually taking over like some panels in TV shows." – Interviewee 14	Social media as new career avenues			
"And you've also got the factor that people are making a lot more investing themselves, and a lot more people have Robin Hood accounts." – Interviewee 11	Online investment platforms as new career avenues			
"I think one like some of my friends are doing this kind of thing." – Interviewee 19, on friends monetizing social media	Using social media for economic gain			
"Old people think they have a lot of opportunity to do their own business online." – Interviewee 8	Expanding economic participation across age groups			Cultural Resistance Counterforce