

MORAL VALUES AND MARKET ATTITUDES

Wayne Baker and Melissa Forbes

Debates about morals and markets focus on the extent to which morals should—or should not—influence markets. Some argue that markets are more efficient and produce just outcomes if they operate freely from moral values; others argue that social justice requires regulation by morals, even if it impedes efficiency; still others argue that morals and markets reciprocally influence one another and that a market separate from morals exists only in theory. The assumption that morals and markets influence each other is consistent with prevailing thought in economic sociology and has been a topic of debate and interest ever since Max Weber wrote the classic, *The Protestant Ethic and Spirit of Capitalism*.

Starting with this assumption, we provide empirical evidence from the 2003 Detroit Area Study about the relationship between contemporary American moral values and attitudes about the market. We find that two dimensions of values (traditional versus secular-rational values and survival versus self-expression values), as well as moral visions (absolutism/relativism), are significantly related to market attitudes in several domains: work, locus of responsibility, opportunity structures, immigrants, income differences in the U.S., and income differences between nations. (We use “moral values” as shorthand for referring to both dimensions and moral visions.) Moreover, Protestants tend to harbor pro-market attitudes, indicating the lasting legacy of the Protestant ethic and the spirit of capitalism. These findings suggest that the market is embedded in a moral system, just as it is embedded in networks of social relations.

What We Expect and Why

Just as morals influence purchases and investments, we argue that they influence the attitudes that people have about the market. “Market attitudes” are opinions about features of the market, such as contexts, inputs, components, mechanisms, and outcomes. These opinions are evaluations of the favorability, worth, or desirability of these features, and they can vary from “pro-

market” to “anti-market.” For example, money and material possessions are essential for a market economy. The opinion that more emphasis on money and material possessions would be a good thing is a pro-market attitude. The opinion that less emphasis is a good thing is an anti-market attitude.

Money and material possessions are one of seven opinion domains we consider. The others are work, opportunity structure, locus of responsibility, immigrants, income differences in the U.S., and income differences between nations. Work is a feature of the market, and its roots in historically Protestant nations are obviously religious (e.g., Weber’s Protestant ethic). More emphasis on work is a pro-market attitude; less emphasis on work is an anti-market attitude. Opportunity structure refers to opinions about a “level playing field” for attaining material success and social mobility. A pro-market attitude is the opinion that the U.S. is a land of equal opportunity; an anti-market attitude is the opinion that the U.S. is not a land of equal opportunity. Locus of responsibility refers to opinions about the role of government and the role of individuals. A pro-market attitude is the opinion that people should take more responsibility for themselves. This opinion is consistent with the core values of individualism and laissez-faire in American ideology. An anti-market attitude is the opinion that the government should take more responsibility to ensure that everyone is provided for.

Attitudes about immigrants reflect beliefs about labor mobility: the extent to which workers should (or should not) be able to freely move around the globe in response to market conditions and opportunities. The opinion that immigrants are good for the economy is a pro-market attitude because it reflects a favorable evaluation of labor mobility; the opinion that immigrants are bad for the economy is an anti-market attitude. Finally, attitudes about income differences, whether in the U.S. or between nations, reflect opinions about the inequality of market outcomes. The opinion that income differences are not too large (in other words, the favorable

result of market forces) is a pro-market attitude. The opinion that income differences are too large is an anti-market attitude.

Values inform market attitudes, but they clearly are not the sole determinant of market attitudes. Other factors, such as socioeconomic class interests, also matter. In our analysis, we control for these alternative factors so that we can isolate the effects, if any, of moral values on market attitudes. We measure these values using a framework that has been developed and validated in prior research on values in American culture as well as cross-culturally. Two fundamental dimensions emerge from this line of research: a continuum of traditional versus secular-rational values and a continuum of survival versus self-expression values. God, country, and family are major features of the first dimension: traditional versus secular-rational values. This dimension represents beliefs in the importance of religion and the importance of God in one's life, high levels of national pride, pro-life values (against abortion), and beliefs that children should learn obedience and respect. This scale is correlated with dozens of additional items, such as beliefs in heaven, hell, life after death, frequent attendance at religious services, conservative political ideology, and confidence in the nation's churches and the armed forces. Secular-rational values emphasize the opposite positions on all these topics. The second dimension—survival versus self-expression values—taps a fundamentally different value orientation. Survival values emphasize physical security, economic growth, and domestic order above all else. Self-expression values include interpersonal trust, tolerance of others, racial, gender and sexual equality, subjective well-being, and political activism.

We expect that traditional values are associated with pro-market attitudes. Americans tend to hold traditional values in general, and these reflect beliefs in the American way of life, the American system of government, and the American economic model—the free market. Those with traditional values will favor more emphasis on money and material possessions and work; they will view America as a land of equal opportunity (opportunity structure), believe that people should take more responsibility for themselves (locus of responsibility), believe that immigrants are good for the economy, and view income inequality favorably. Those with secular values will tend to hold anti-market attitudes in these opinion domains.

Moral visions are worldviews about the location of moral authority and moral judgment: the “sacred realm” versus the “profane realm.” The former locates the source of morality in God and/or religion; the latter, in the self and/or local situation. Colloquially, these are

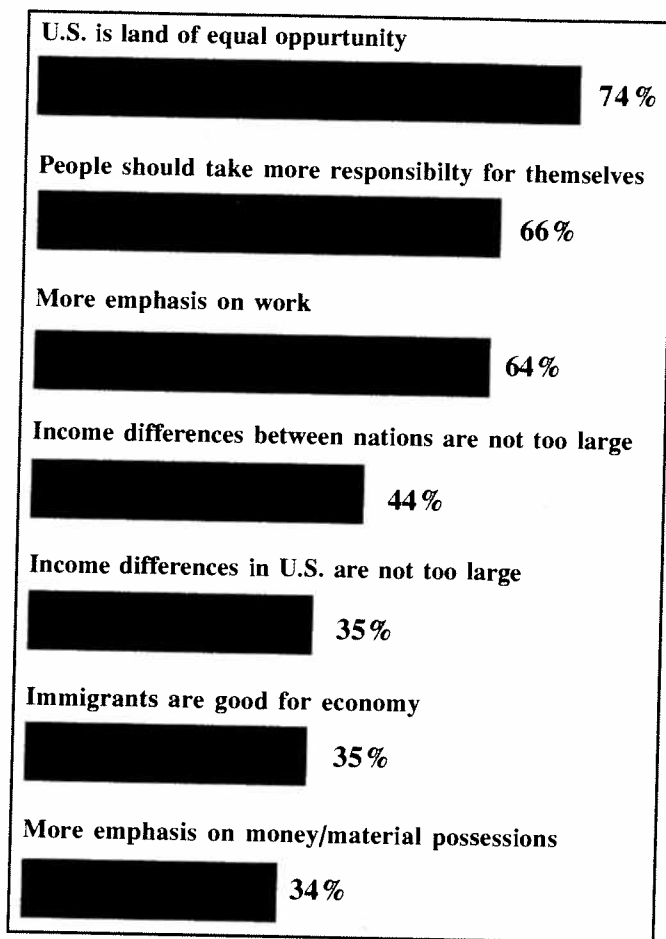
called absolutism and relativism. Absolutism is the moral basis of traditional values; relativism is the moral basis of secular values. Moral visions are significantly related to social attitudes, religious beliefs, confidence in institutions, political activism, and frequency of attendance at religious services, as well as choice of presidential candidate and political ideology. We expect that absolutism is associated with pro-market attitudes, while relativism is associated with anti-market attitudes.

The historical role of Protestantism in the development of modern capitalism also suggests that Protestants today may have pro-market attitudes compared to non-Protestants. We expect that Protestants think that more emphasis on work and on money and material possessions is a good thing. We expect that they view America as a land of equal opportunity, believe that people should take more responsibility for themselves, believe that immigrants are good for the economy, and view income inequality favorably.

Detroit area residents exhibit considerable variation in their attitudes about the market. The majority has pro-market attitudes in three domains: the U.S. is a land of equal opportunity (74 percent), people should take more responsibility for themselves (66 percent), and more emphasis on work is a good thing (64 percent). Just less than half say that income differences between nations are not too large (44 percent). But only about a third says that income differences in the U.S. are not too large (35 percent), immigrants are good for the economy (35 percent), and more emphasis on money and material possessions is a good thing (34 percent). These last three results are perhaps unsurprising given that the data used for this study is geographically situated in a rust-belt state that has seen a decline in manufacturing employment over the last twenty-five years, due in part to intense foreign competition and the movement of U.S. auto industry manufacturing to places outside of Michigan.

Pro-Market Attitudes in the Detroit Region

Traditional versus secular-rational values are significantly related to market attitudes about work, opportunity structure, and income differences in the U.S., controlling for survival versus self-expression values, moral visions, and various socio-demographic characteristics (age, gender, race, education, income, and others). As expected, those with traditional values tend to have pro-market attitudes. For example, traditional values are related to more emphasis on work, the belief that the U.S. is a land of equal opportunity, and the opinion that income differences in the U.S. are not too large. Traditional/secular-rational values are not significantly



related to the other domains—attitudes about immigrants, locus of responsibility, and income differences between nations.

It is somewhat surprising that there is no significant relationship between traditional versus secular-rational beliefs and attitudes about immigration. One might expect less positive attitudes toward immigration among those who have traditional values. Nativists tend to be ethnocentric and opposed to the importation of foreign goods. However, consumer research has found that *general levels* of consumer ethnocentrism vary across geographic areas, with economically depressed areas displaying higher levels of consumer ethnocentrism. Given that the sample for this study was taken from the Detroit metropolitan region—a largely economically depressed area in the United States—it is possible that overall negative attitudes toward immigration overshadow any opinion cleavages between traditionalists and secular-rationalists. Only 35 percent of total respondents in this study view immigration as good for the economy. Furthermore, our results show that education increases positive feelings about immigration's effect on the economy, consistent with research on consumer ethnocentrism that shows that ethnocentrism decreases as one's social class rises.

Generally, survival/self-expression values are not significantly related to market attitudes once we control for traditional/secular-rational values, moral visions, and socio-demographic variables. The only two significant relationships—locus of responsibility and income differences between nations—indicate contradictory market attitudes. For example, those with self-expression values believe that the government should take more responsibility for people (an anti-market attitude) but they do not believe that income differences between nations are too large (a pro-market attitude).

Moral visions are significantly related to market attitudes in a variety of domains: work, opportunity structure, income differences in the U.S. and between nations, controlling for the two values scales, and socio-demographics. As expected, moral absolutists do not believe that less emphasis on work is a good thing. They do believe that the U.S. is a land of equal opportunity. Absolutists do not believe that income differences in the U.S. are too large, nor are they too large between nations. Overall, absolutists exhibit strong pro-market attitudes, while relativists exhibit strong anti-market attitudes.

One caveat should be noted about these findings. While this research shows that moral absolutists *generally* hold pro-market attitudes and relativists hold anti-market attitudes, market attitudes between these two groups may actually reverse on *specific issues* that encompass debates over the sacred and profane. For example, contemporary biomedical debates exhibit elements of anti-market attitudes among absolutists and pro-market attitudes among relativists. Absolutists believe it is morally wrong under any circumstances to conduct stem cell research or to treat stem cells as a marketable commodity, while relativists are more open to considering these possibilities. More research is needed to parse out the fault lines in pro- and anti-market attitudes *within* traditional and secular-rational groups when issues of the sacred and profane are salient.

The market attitudes of Protestants are also significantly related to various domains: work, immigrants, income differences in the U.S., and income differences between nations, controlling for the two values scales, moral visions, and socio-demographic variables. Generally, Protestants tend to harbor pro-market attitudes, indicating the lasting legacy of the Protestant ethic and the spirit of capitalism. For example, Protestants do not think that less emphasis on work is a good thing. They do not believe that income differences in the U.S. are too large, and they do not think income differences between nations are too large. Protestants do not believe that immigrants are good for the economy, sug-

gesting an anti-market attitude, but since most immigrants today are not Protestant, this opinion could also indicate their preference for and identification with the Protestant heritage of America.

The evidence demonstrates that moral values influence market attitudes. There is considerable variation in opinions about the contexts, inputs, components, mechanisms, and outcomes of the market—such as emphasis on work, individual versus government responsibility, opportunity structures, immigrants, and income differences—and these differences are related to the values and moral visions people have. Generally, those with traditional values hold pro-market attitudes; those with secular values hold anti-market attitudes. Moral absolutists tend to be pro-market, while moral relativists tend to be anti-market. Moreover, Protestants harbor pro-market attitudes. These findings support our claim that the market is embedded in a moral system as well as in networks of social relations. A comprehensive sociological theory of the market should take into account both forms of embeddedness.

Our evidence strengthens the sociological critique of *Homo economicus*, demonstrating that moral values inform market attitudes. Studies like this one are helpful in separating out what specific moral values predict market attitudes as well as identify when moral values are and are not salient in the market. In addition, this study shows that it is useful to explore the everyday ways that moral values influence the market. Prior studies focus on extreme cases, such as people who are located in the tails of the ideological distribution curve, or unusual and “exotic” products and services (e.g., the

religious right, food cooperative shoppers, socially conscious consumers and investors, and “green” business). Extreme cases are strategic for theory development and elaboration, but most people do not reside in the tails of the distribution of values. For example, Americans exhibit relative consensus on the traditional/secular-rational values dimension, clustered toward the traditional pole of the spectrum—which means that the mainstream attitude about the market is pro-market. Thus, as a complement to research on extreme cases, we suggest that a focus on everyday ways in which morals affects markets in mainstream society can be a productive line of research.

SUGGESTED FURTHER READING

- Baker, Wayne. 2005. *America's Crisis of Values: Reality and Perception*. Princeton, NJ: Princeton University Press.
- Norris, Pippa, and Ronald Inglehart. 2004. *Sacred and Secular: Religion and Politics Worldwide*. New York: Cambridge University Press.

Wayne Baker is professor of sociology and professor of management and organizations at the University of Michigan–Ann Arbor. He was the principal investigator of the 2003 Detroit Area Study, from which the data for this article come. He is the author of America's Crisis of Values: Reality and Perception. Melissa Forbes is a joint doctoral student in public policy and sociology at the University of Michigan–Ann Arbor.

We mourn the loss of a friend and author to our publishing house. He was a premier analyst of American culture for the past half century.

Benjamin DeMott

Born: June 2, 1924 in Rockville Centre, New York

Died: September 29, 2005 in Worthington, Massachusetts

“In domestic life and through the lives of my children I have learned much about joy. I know, moreover, that people who are hugely moved – whether exhilarated or depressed – by the judgments of others on their performances suffer from a dependency that is, in itself, very bad luck... On the other hand, one solid memory of the surprise of full-throated praise survives and still stands well beyond price or valuing. Even half-forgotten it does not wither.”

From the new introduction by Benjamin DeMott to *You Don't Say*.

Author of more than a dozen books, including *You Don't Say: Modern American Inhibitions* (2002); and *Supergrow: Essays and Reports on Imagination in America* (2003) – both published by Transaction with new introductions.



TRANSACTION PUBLISHERS
RUTGERS—THE STATE UNIVERSITY OF NEW JERSEY
PISCATAWAY, NEW JERSEY 08854-8042