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THE INDIVIDUAL'S INTERESTS AND MOTIVES IN ECONOMICS

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The human factor is always decisive in social development. The role of active behavior and above all economic behavior is obvious. However, there are some difficulties: the law regulates predominantly "external" behavior; psychology covers interests, motives, will, emotions.

This paper analyzes individuals' interests and motives in economics. Coherence and contradictions of the labor interests are investigated on the basis of a survey made in several organizations. The rank of interests (economic, professional, career, group, corporate, territorial, and common civil) in the dependence of labor group type (shareholders, top managers, line managers, employees) is formed.

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Introduction

The human factor is always decisive in social development. The role of active behavior, above all economic behavior, is obvious. However there are some difficulties: the law regulates predominantly "external" behavior; psychology investigates interests, motives, will, emotions. However, the legal and psychological sciences conduct research mostly in parallel, although their integration would be significant for ensuring sustainable human activity in the economic sphere.

Despite the widespread dissemination of the concept of human rights and freedoms, the "humanization" of economics and management is moving forward extremely slowly if at all. Lawyers frequently use the concepts of "constitutional economy", "legal economy" or "green economy". Recently, Richard Thaler's "Misbehaving: The Making of Behavioral Economics"⁴ confirmed the existence of various management systems, while the fundamental and uniting principle – the individual – has been lost. The excessive commercialization of economic relations, measured in terms of "capital", "profit", or "costs", leads to a diminution of the human factor, a reduction of labor to something mechanistic. However, the human factor should be central to the economic sphere. Otherwise, passivity and conservatism, egocentrism and corruption appear.

To solve this problem an integrated approach is necessary, combining various viewpoints; critical viewpoints are law and psychology. These sciences were organically interconnected, however, today there is a tendency to separate them.⁵ Limiting the problem to one narrow sphere of knowledge will lead to one-sided conclusions. Lawyers are focused only on laws and regulations. Such a situation leads to the fact that the norms of law cease to be effective, as in their drafting the person is lost. That is why it is crucial to raise interdisciplinary scientific research. Interdisciplinary methods in analysis help to achieve results that are closer to reality. For example, intersection theory is frequently used in foreign investigations of discrimination⁶.

⁴ Thaler R. *Misbehaving: The Making of Behavioral Economics*. W.W.W. Norton. New York. London. 2015.

⁵ See, for example: Sorokotyagin I.N. *Psikhologiya Yurisprudencii Kak Samostoyatel'naya Distiplina Prava. Psikhopedagogika v Pravoohranitel'nykh Organah*. 2005 №1 (23). Pp. 97-98; Ivanova L.F. *Sovremennye Problemy Yuridicheskoi Psikhologii kak Nauchnoi Spetsial'nosti i Uchebnoi Distipliny*. Vestnik Yuzhno-Uralskogo gosudarstvennogo universiteta. Seriya: Pravo. 2017. №4. Pp. 64-68.

⁶ See, for example: Kimberlie Crenshaw. *Demarginalizing the Intersection of Race and Sex: A Black Feminist Critique of Antidiscrimination Doctrine, Feminist Theory, and Antiracist Politics*. University of Chicago Legal Forum. 1989. Pp. 139–168; Devon W. Carbado. *Critical What What? Connecticut Law Review*. Vol. 43, № 5, July 2011. Pp. 1593-1643.

The role of the individual in economics

Different economic systems describe the role of the individual differently; one role in totalitarian systems, another in liberal systems. Consequently, the multiplicity of social statuses and individual roles⁷ need to be taken into account.

The law sets forth different statuses all of which can also be found in economics. However, nobody performs a single role all the time; everyone has too many roles to perform at the same time.

Socio-psychological roles show that a person often deviates from the behavior expected of him as the bearer of a particular status. There is often a claim for another status, sometimes interests or motives force us to commit actions which are incompatible with a particular status. For example, university students try to combine work with study. Interest means a conscious need in something, having a "mass" character. The motive means something solely personal.

Socio-legal statuses and roles have not been sufficiently explored in the theory of state and law⁸. The problem of interest is superimposed on the statuses. There is a gradation of interests, for instance, public-national industrial, professional-industrial, territorial and national interests. It is necessary to mix various interests and statuses. Statuses act through communities. Legislation regulates this by introducing the concepts of "people", "nationality", "municipal community". What priorities are placed in this case in law? They are always clearly expressed.

We desire to illustrate this with the example of the most acute problem of natural resources and climate preservation. It would seem that humanity is on the edge of immolation. In this regard the ecological imperative is supra-national. Ecological standards are being imposed to solve the problem, however, oil companies are against such measures, as these standards increase costs, decrease the pace of work, and restrain the growth of profits. This is exactly an illustration of a conflict of interests. On the one hand, the director of an oil company must act in the interests of humanity, coordinating its actions with national standards. On the other hand, he should act in the interests of the company.

Labor interests: coherence and contradictions

Interests form on the basis of personal feelings, emotions and values and they can change over time. The characteristic feature of the psychological model is its "evolving nature". It

⁷ Weber M. *Izbrannye Proizvedeniya*. M.: Progress. 1990. P. 244.

⁸ See, for example: Zhinkin S.A. *Uchet Potrebnosti Lichnosti kak Factor Psikhologicheskoi Effektivnosti Norm Zakonodatel'stva. Problemi v Rossiyskom Zakonodatel'stve*. Yuridicheskii zhurnal, №2. 2008. Pp. 77-78.

analyzes the way employee interests evolve in different periods of a person's life in the process of play, educational, imitation, project, adaptive, cognitive and labor activities.

Psychologists have traditionally viewed interest as a cognitive need. Rubinstein wrote that interest in the psychological sense of the term is the specific orientation of the person in their thoughts on a certain subject.⁹ Ilin suggests that the interest is a "type of motivational formation" along with motivational conditions, attitudes, inclinations, desires, inclinations and habits.¹⁰ Labor interest is understood as the value extracted and the emotional position of the employee to his activity. The psychological model of labor interests is reflected in the formation process, the structure of a worker's labor interests, labor activity and changing labor interests. The living environment influences the internal motivation of people. With migration, interests adapt to new geographical factors. The professional environment, political views and general social stands influence interests. The "social-public external environment" structures the communication of workers either inside or outside an organization. More and more people from other ethnic groups are included in labor collectives, which also affect people's interests. In this regard the managerial and organizational environment is changing.

The structure of interests allows us to analyze the arising contradictions. There are various interests in different groups of workers. Hired employees have prior economic interests, then professional, career and finally common civil interests. Top-managers and shareholders prioritize corporate interests first of all, then economic and civil interests. The main contradiction is between the interests of the individual and the organization (between economic and corporate interests). There are many internal conflicts, for example, a situation when the head of a HR should dismiss an employee, but his personal interests are not in accordance with such a need. The contradictions between corporate and common civil interests prove that it is difficult to implement the social responsibility of the shareholders to the workers.

Globally there are "social explosions" with competitive interests making it important to monitor interest dynamics. This monitoring should be included in the concepts of socio-economic development and it is necessary to manage human resources efficiently. The ideal model is the coincidence of the interests of an employee and the interests of a company.

⁹ Rubinshtein S.L. Osnovi Obshey Psihologii. Spb: Izdatel'stvo «Piter». 2000. Pp. 688-695.

¹⁰ Il'in P.E. Motivatsiyai i Motivy. Spb: Izdatel'stvo «Piter». 2000. P. 174.

Tab. 1. Interests in accordance with types of groups

Type of group	Interests rank (1 – the highest, 7 – the lowest)						
	economic	professional	career	group	corporate	territorial	common civil
1. Shareholders	2	4	6	5	1	7	3
2. Top managers	4	2	5	6	1	7	3
3. Line managers	2	1	3	4	6	7	5
4. Employees	1	2	3	4	5	6	7

The three most significant contradictions of interests in organizations have been identified on the basis of the matrix of risks of interest contradictions (Table 2):

- 1) Contradictions between economic (personal) and corporate interests (between the interests of employees and employers);
- 2) Contradictions between group and corporate interests (interests of different groups);
- 3) Contradictions between corporate and common civil interests (especially in groups of top managers and shareholders).

Tab. 2. The matrix of risks of interest contradictions

(in the aggregate)

Type of interests	E	P	C	G	Co	T	CC
Economic/personal (E)							
Professional (P)	l						
Career (C)	l	a					
Group (G)	a	a	a				
Corporate (Co)	h	c	a	h			
Territorial (T)	a	l	a	a	a		
Common civil (CC)	l	a	a	a	h	a	

Notes: *h* – high risk of contradictions between presented interests for company, *a* – average, *l* – low

The types of contradictions can be divided into conflicts between the interests of members of different groups (external conflict) and the interests of a specific employee (internal conflict).

Examples from organizations indicate serious conflict between the corporate interests of principal shareholders and the economic interests of minority shareholders. Many such conflicts have been resolved through negotiations or by courts the latter having an effect on company

goodwill. Another intergroup conflict is the clash of interests of shareholders and managers. The personal economic interest of the management results in their high salaries. They solve important issues without general meetings and ignoring the decisions of shareholders. The second aspect of internal conflicts is, for example, when the head of the HR department has to dismiss an employee according to corporate interests, which may conflict with his/her group interest (friendly relationships with employee).

Another source of contradiction between personal economic and corporate interests is the traditional formula "The customer is always right". It does not completely reflect the economic interests of employees, so their behavior with clients sometimes does not correspond to this corporate goal. Corporate interest induces the company to produce goods with a short-term demand and poor-quality. It means the weakness of the corporate culture of the organization and the absence of the social responsibility of business to the consumer and to society. Several organizations developed programs for considering consumer interests in order to restructure their activity in accordance with such interests. The availability of contemporary information channels by public consumer networks creates new opportunities for the convergence of civil and corporate interests.

The term "interest" is also connected with the issue of hiring an employee who is not only a professional, but is also passionate about their work. This is a profitable situation because economic interests are secondary for such workers.

Interests change because of external factors and depend on the agenda of the state and society. Society has many vectors of development and there is a strong need to determine the advantages and disadvantages of different vectors. Economic individuals are influenced by a set of vectors. Firstly, the law is becoming non-dominant among other social norms. It can be concluded that legal regulation is actively influenced by moral norms, religious norms, traditions, customs, technical norms, self-regulation norms, network communication. A whole set of norms, which can be contradictory, determine a person's actions. Further, the law can clash with other social norms.

The human vector in the legal sphere is affected by computerization. The European Parliament adopted Civil Law Rules on Robotics (March, 2017)¹¹ to regulate robotization in 10 spheres of public life. France adopted Law No. 2016-1321 "On a digital republic"¹² which affects every person.

¹¹ URL: <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P8-TA-2017-0051&format=XML&language=EN>.

¹² URL: Loi No. 2016-1321 du 7 octobre 2016 pour une République numérique <http://www.wipo.int/wipolex/ru/details.jsp?id=16380>.

Conclusion

It is necessary to carry out further research regarding to the topic of human interests and motives in economics. It is important to study the dynamics of interests during the labor activity, to develop an effective model for determining, formulating and maintaining sustainable, socially significant, interests, and make practical recommendations for increasing the interests for different types of work and different fields of activity.

The study of behavioral mechanisms in the economy as applied to the activities of workers, labor collectives, business associations and professional associations will help to create an efficient economic system. It is necessary to increase attention in the legal sphere to the issues of improving the legal status of participants in economic activity. It is important to take into account a person's real social and legal roles. In this regard, the prevention and elimination of interest conflicts needs to be developed and to be included university courses.

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